



# CODE OF ETHICS

Rev. 01/2024

Approved by the Board of Directors on: 12.07.2024

## **TABLE OF CONTENTS**

### **I. INTRODUCTION.**

1. Foreword.	<b>page 04</b>
2. Purpose of the Code of Ethics and relations between the Code of Ethics and the Organisational, Management and Control Model.	page 04
3. Recipients of the Code of Ethics.	page 05
3.1. Employees.	page 05
3.2. Stakeholders.	page 06

### **II. REFERENCE PRINCIPLES.**

1. Legality.	<b>page 07</b>
2. Integrity.	page 07
3. Transparency.	page 07
4. Protection of personal data.	page 07
5. Fairness	page 07
6. Loyalty.	page 08
7. Human Resource Value.	page 08
8. Diversity and inclusion.	page 08
9. Equal opportunities.	page 08
10. Protection of corporate assets.	page 08
11. Protection of competition.	page 08
12. Conflict of interest.	page 09
13. Occupational safety.	page 09
14. Environment.	page 10
15. No breach of the Organisational, Management and Control Model pursuant to Leg. Decree no. 231/01.	page 10
16. Whistleblowing and prohibition of retaliation.	page 10

### **III. INTERNAL ORGANISATION AND CONDUCT CODE.**

1. Management and control bodies.	<b>page 11</b>
2. Human Resource management.	page 11
3. Contract.	page 11
4. Human Resource obligations.	page 11
5. Correct management of corporate and information processing systems.	page 11
6. Complimentary gifts and charitable contributions.	page 11
7. Administration and accounting procedures.	page 12
8. Drawing up the financial statements, reports and Company communications required by law.	page 12

### **IV. EXTERNAL RELATIONS AND CODE OF CONDUCT.**

1. Relations with Supervisory Authorities and Control Bodies.	<b>page 13</b>
2. Relations with the Public Administration.	page 13
3. Relations with Judicial Authorities.	page 13
4. Relations with Trade Unions, Political Organisations and Parties.	page 13
5. Relations with the <i>mass media</i> .	page 14

### **V. REFERENCE PRINCIPLES AND CODE OF CONDUCT USED AS CONTROL TOOLS FOR PREDICATE OFFENCES – SYNOPTIC TABLES.**

**page 15**

### **VI. BREACHES OF THE CODE OF ETHICS.**

1. Introduction.	<b>page 19</b>
2. General principles of the Code of Ethics.	page 19
3. Breaches of the Code of Ethics.	page 19
4. Disciplinary measures.	page 20

### **VII. IMPLEMENTATION OF THE CODE OF ETHICS.**

1. Methods of Implementation.	<b>page 22</b>
2. Adoption and amendment of the Code of Ethics.	page 22



## **I. INTRODUCTION.**

### **1. Foreword.**

**Abra Beta S.p.A.** (or the Company) considers it essential to comply with the laws and regulations in force in each Country it operates, and considers legality, fairness and transparency of its actions to be key indispensable prerequisites during the course of its business activities.

The Code of Ethics (or Code) outlines the Company's values, rights, duties and responsibilities with respect to all those with whom it relates to during its course of business, indicating the code of conduct to be complied with in its relations with all its Stakeholders.

It contains the general principles and fundamental values that **Abra Beta S.p.A.** shares with those who operate within the scope of or directly for the Company - e.g. the Administrative Body, employees or entities functionally linked to the same - during the course of performing the Company's business, ensuring an adequate program of ongoing training and awareness of Code of Ethics related issues.

This Code of Ethics is, therefore, the benchmark guidelines of all day-to-day activities, both inside and outside the Company, to ensure the good reputation, reliability and ethical identity of the Company.

All those who work in (or for) **Abra Beta S.p.A.** without distinctions or exceptions, are committed to complying and ensuring compliance with the principles envisaged by the Code of Ethics within the scope of their own job description and responsibilities.

In this regard, each contract must provide specific references to the contents of this Code of Ethics, together with the provisions of the Organisational, Management and Control Model adopted pursuant to the Decree in force in order to encourage the contractual counter-parties to comply with the provisions contained therein.

The conviction of acting in the interest of the Company shall under no circumstances justify the adoption of any behaviour in contrast with the principles of the Code of Ethics.

Compliance with the principles and provisions contained in this Code of Ethics is therefore an essential requirement for any fruitful relations with **Abra Beta S.p.A.**

### **2. Purpose of the Code of Ethics and relations with the Organisational, Management and Control Model.**

The Code of Ethics is part of the implementation framework envisaged by Leg. Decree no. 231/2001 (or Decree), providing the general principles of management, supervision and control on which the organisational, management and control models must be based. Given the fact that the Code of Ethics refers to principles of conduct which are also suitable for preventing the unlawful conduct referred to in the Decree, this document increases in relevance as regards to the preventive control system envisaged by the Organisational, Management and Control Model (or Model), and therefore constitutes an integral and essential part of the same.

The structure of the document requires a minimum content in relation to:

#### **Fraudulent crimes:**

Respecting the laws and regulations in force is a fundamental principle for the Company, which has the obligation to:

- a) enforce laws and regulations for every employee/consultant/supplier/customer;
- b) boost the dissemination of said laws and regulations;
- c) guarantee a suitable training and awareness programme on the issues addressed by the Code of Ethics.

The Company guarantees that every operation and transaction shall be recorded, authorised, verifiable, legitimate, coherent and consistent and, more specifically, each operation shall:

- a) ensure a suitable registration process;
- b) undergo a verification process regarding the decision-making and authorisation system;
- c) be accompanied by documentation support;

With regard to its relations with the P.A., the Company does not endorse:

- a) illicit payments and/or donations, both in Italy and abroad;
- b) offering of money or gifts to employees, whatever their level, of the P.A. or their relatives, except in the case of utility gifts of a modest value;
- c) derogation of the principles of self-regulation codes envisaged by the P.A.;
- d) acceptance of valuable objects, services or favours in order to obtain a more favourable treatment regardless of the relationship with the P.A.;
- e) receive favours from the employees of the Body that could improperly influence the decisions of the P.A.;
- f) representation, in its relations with the P.A., by an independent consultant or a 'third party' where this could, even potentially, create a 'conflict of interest';
- g) action taken to examine or propose employment and/or business opportunities for the benefit of P.A. employees, in a personal capacity;
- h) propose any corporate promotional initiative to P.A. employees;
- i) solicit or take action aimed at accessing information deemed as strictly confidential by the P.A.;
- j) engage in any kind of work relations with former employees of the P.A.

**Unintentional crimes:**

The Company shall use the Code to disclose the principles and criteria on the basis of which decisions are made, of all types and at all levels, by:

- a) eliminating or reducing all risks, including those of a potential nature;
- b) reassessing and monitoring all the risks that cannot be eliminated;
- c) introducing risk control measures;
- d) reducing risks at the source;
- e) taking action which significantly reduces the danger factor;
- f) planning appropriate measures to improve safety levels with particular attention paid to collective protection measures;
- g) providing special instructions to the recipients.

The Company's Code of Ethics can also be used to crystallise and also implement:

- a) the measures put in place by the Company to eliminate/reduce the negative impact of business activities on the environment;
- b) the values of training and the sharing of ethical principles among all individuals involved in business activities;
- c) the disciplinary system and sanction mechanisms.

**3. Recipients of the Code of Ethics.**

These provisions of this Code of Ethics are applicable, without exception, to every individual involved in the business and, therefore Company management, employees, customers, suppliers, partners as well as all those who, directly or indirectly, consistently or temporarily, operate with/for the Company (hereinafter also referred to collectively as: Recipients).

Each Recipient is required to comply with the contents of the Code of Ethics within the scope of one's duties and responsibilities, and all breaches constitute a disciplinary offence.

The Code of Ethics, as an expression of the Company's values, shall prevail over any circular letters or procedures introduced that are in conflict with the same.

Each Recipient shall be required to acquire knowledge of the Code of Ethics and, in the event of any doubts or concerns pursuant to its contents and provisions, the same shall request information from the Supervisory Body in order to fully understand its meaning.

The Managers of each Area or Process and/or Business Unit are required to verify compliance by the Recipients with the requirements set out in the Code of Ethics, where they must ensure correct transposition, and put in place and promote appropriate measures so as to prevent the occurrence of breaches of the same.

**3.1. Employees.**

The Company recognises the importance and value of its employees as a key and indispensable asset. In fact, the Company is fully aware that it is only thanks to the dedication and professional skills of its personnel that it is possible to achieve its objectives and improve the results achieved. To this end, the Company undertakes to develop the skills and abilities of each individual employee.

The Company expects all employees, at every level, to cooperate in maintaining a climate of common respect for individual dignity, honour and reputation. All employees are obliged to fully comply with this Code of Ethics and to conduct themselves in a manner that respects the dignity, professional conduct, health and safety of their colleagues; they shall also pay attention to their personal appearance and dress code, both in and outside the office, to ensure that they are appropriate and adequate according to the position held and their envisaged work commitments.

The Company supports any initiatives aimed at implementing work methods for the achievement of a better organisation. The Company forbids all types of harassment and/or mobbing behaviour in personal working relationships both inside and outside the Company.

In particular, but not limited to the examples below, it is prohibited to:

- create an intimidating, hostile or in any case discriminatory environment for individual employees or groups of employees;
- engage in unjustified interference in the work performed by others;
- place obstacles in the way of the work prospects and expectations of others merely for reasons of personal competitiveness.

Any form of violence or harassment, either sexual harassment or harassment based on personal and cultural diversity, is forbidden. Such harassment is for instance:

- subordinating decisions on someone's working life to the acceptance of sexual attentions, or personal and cultural diversity;
- encouraging employees to engage in sexual favours through the influence of one's role;
- proposing private interpersonal relations, despite express or reasonably obvious distaste;

- alluding to disabilities and physical or psychic impairment, or to forms of cultural, religious or sexual diversity.

### **3.2. Stakeholders.**

Values are shared with all *Stakeholders* so that the relationships built are as transparent as possible.

The Company undertakes to recruit suppliers and external collaborators with, eligibility professionalism and committed to sharing the principles and contents of the Code of Ethics and promotes the establishment of long-lasting relations for the progressive improvement of performances while protecting and promoting the principles and contents of this Code.

The Company promotes socially responsible behaviours and working practises and expects Stakeholders to operate in line with the same high standards of protection of human rights and the environment.

Honesty, integrity and fairness are the fundamental cornerstones of our commitment to contractual relations.

In relationships regarding tenders, procurement and, generally, the supply of goods and/or services, the Recipients of the Code shall:

- observe internal procedures concerning selection and relations with Suppliers and abstain from excluding any Supplier which meets the necessary requirements in relation to the possibility of winning a supply contract with the Company;
- adopt appropriate and objective selection methods, based on established, transparent criteria;
- secure the cooperation of Suppliers in guaranteeing the continuous satisfaction of Customers enjoy and consumers, to an extent adequate to that legitimately expected by them, in terms of quality, costs and delivery times;
- observe the principles of transparency and completeness of information in correspondence with Suppliers, ensuring clear, correct and complete information on contractual terms (in particular: required performance levels, payment terms, etc.),
- not abuse its possible dominant position so as not to comply with the contractual 'duties' agreed in advance, especially where a rewording/renegotiation of the supply contract is necessary (e.g. by attempting to impose late payments or by trying to lower prices, thereby causing damage to the Supplier);
- refrain from receiving money or other benefits from any source to perform or not perform an act which is within the scope of one's duties, or to perform acts against official duties.
- comply with, and demand compliance with, the envisaged Contract conditions.

## **II. REFERENCE PRINCIPLES.**

### **1. Legality.**

All Recipients of this Code of Ethics are required to comply with the national and EC regulations in force in all the Countries in which the Company operates.

If in doubt, the Company shall inform the Recipients on how to proceed.

Under no circumstances can the pursuit of interests in favour of the Company or to the advantage of the Recipients justify any unethical, dishonest, or unlawful conduct which fails to comply with the law and/or the Code.

### **2. Integrity.**

The objectives must be pursued honestly, fairly and responsibly, in full compliance with the applicable regulations, professional ethics and the spirit of the agreements reached.

The Company firmly condemns all forms of organised crime, of whatever nature, and uses all instruments at its disposal within the scope of its business operations. In any case, the Company does not operate with, or finance - prohibiting all Recipients from engaging in relations with - criminal associations, organised crime of any nature, national and/or international organisations, engaged in terrorism, trafficking in arms and/or narcotic or psychotropic substances, money laundering from illegal activities, smuggling of tobacco manufactured abroad, human trafficking, illegal intermediation and exploitation of labour.

The Recipients are therefore required to pay maximum to the requirements of moral integrity and reliability, as well as the requirements of the legitimacy of the activities carried out.

### **3. Transparency.**

Clarity and comprehensibility must corroborate the actions, communication and legal and interpersonal relations, so that all Stakeholders are in a position to make autonomous and informed choices.

All activities carried out by Recipients must be lawful, legitimate, correctly recorded, authorised, appropriate, consistent, documented and verifiable, in accordance with the principle of transparency and traceability of the Company's management and decision-making processes.

All Recipients of the Code of Ethics are required to provide complete, transparent, comprehensible and accurate information so that business Stakeholders are able to make informed and autonomous decisions. All internal activities must be traceable, documented and verifiable. In this sense, the Company has adopted an internal control system to ensure that each operation is verifiable and it is impossible for an entire decision-making process to fall within the responsibility of an individual entity; the controls carried out must also be traceable.

The Company ensures that its creditors and employees are provided with correct information on significant events characterising corporate and accounting performance.

The Company condemns all operations involving the alteration of corporate data and information to be made available under the laws in force,

### **4. Protection of Personal Data.**

The Company gives great importance to the responsible processing of all collected personal data, and is committed to guaranteeing its security whilst protecting it from unauthorised access, use, disclosure, interruption, modification and destruction.

For this reason, the Recipients are required to strictly comply with the Privacy regulations (Regulation (EU) 2016/679 (GDPR) and Leg. Decree no. 196/2003 as amended).

Recipients must also guarantee that the information collected is used exclusively to carry out the envisaged activities, in full compliance with internal procedures adopted as required by the personal data protection code.

### **5. Fairness.**

Recipients must eliminate any discrimination from their conduct, undertaking to respect all differences in terms of gender, age, ethnicity, religion, political and Trade Union memberships, sexual orientation, language or other aspects.

## **6. Loyalty.**

The Company maintains a relationship with all the Recipients based on trust and loyalty. All Recipients must view the compliance with the Code of Ethics regulations as an essential part of their corporate obligations. The loyalty obligations require that it is prohibited for employees to:

- engage in employment contracts with third-parties, consultancy agreements or other responsibilities in favour of third parties which are incompatible with the activity carried out for the Company, without prior written authorisation, throughout the duration of the contractual relationship;
- engage in activities which are contrary to the interests of the Company or incompatible with the designated duties.

## **7. Human Resource Value.**

The Company acknowledges the central role of Human Resources and the importance of establishing and maintaining relations with them based on mutual trust. Therefore, in the management of its labour and collaboration relations the Company is inspired by its respect for the rights of workers and the full exploitation of their contribution with a view to promoting their development and professional growth, guaranteeing safe and healthy work environments, minimum wages, correct working hours, combating child labour and the exploitation of workers.

Under no circumstances are any forms of irregular employment relations tolerated and, in the case of employment of non-EU nationals, the Company shall verify the existence and continued subsistence of the requirements and compliance with the rules and regulations on legal residence.

The Company undertakes to respect – and ensure its Suppliers respect – the current labour legislation, with particular attention paid to child labour and all aspects of health and safety.

## **8. Diversity and inclusion.**

The Company is committed to promoting all levels of diversity and inclusion. People with all kinds of backgrounds are selected to be part of the team and everyone is encouraged to bring their best, authentic and original qualities to the workplace.

## **9. Equal opportunities.**

The Company undertakes to ensure that all employees are treated equally, from recruitment procedures to promotion candidatures, from the assignment of special roles to training, from salaries to benefits and dismissals. No discrimination of any form is admissible in terms of race, colour, national origin, gender or gender identity, sexual orientation, religion, disability, age, political opinions, pregnancy status, migrant status, ethnicity, caste, family or civil status or similar personal characteristics. The objective is to ensure that all employment procedures and decisions are based solely on business elements, and are geared solely on the ability of the individual to do his or her job, and not on his or her personal characteristics.

It is a zero-tolerance establishment regarding discrimination, violence, intimidation and harassment.

## **10. Protection of corporate assets.**

All Recipients shall be directly and personally responsible for the protection and conservation of the physical and intangible assets and resources, whether tangible or intangible, assigned to them to perform their duties according to Company procedures.

They are also responsible for using the same in the best interests of the Company.

All Recipients shall respect confidentiality requirements with regard to the Company's scientific, production and commercial know-how and strategic choices, in order to protect its industrial and intellectual property and the relative growth of the same. All Recipients are therefore required to ensure utmost confidentiality and not disclose any confidential information to unauthorised parties.

The Company's trademark is at the heart of its identity and it is essential to protect intellectual property rights and report suspicious practises that may breach the Company's intellectual property, copyright, trademarks, patents and industrial design rights.

Likewise, all Recipients must respect the intellectual property rights of others. No use of goods or means protected by rights of others shall be permitted without appropriate authorisation or in breach of the terms of the specific authorisation.

The Company also expressly prohibits the counterfeiting of products in general and of any third-party intellectual works.

## **11. Protection of competition.**

The Company is committed to promoting fair and legal competition, which it considers beneficial to its own interests, just as it welcomes the competition of any market operators, Customers and Stakeholders in general.



In fact, the Company recognises that fair and proper competition is fundamental to its development and undertakes to scrupulously comply with the relevant laws and to cooperate with any Public Authority members. It is prohibited to engage in any conduct that is contrary to professional fair-play, non-transparent and untraceable, corruptive, collusive, predatory activities, abuse of dominant position or economic dependence and other conduct that is intended to alter the fairness and competitive balance of the market.

The Company does not approve of contact with competitors that could create risk situations. It is therefore necessary to involve the Administrative Body beforehand to examine all forms of collaboration with competitors. Furthermore, in their relations with competitors, it is mandatory for Recipients to avoid discussing issues such as prices or other terms and conditions of the Company's quotation, costs, business policies or other proprietary or confidential information, the disclosure of which is not strictly relevant and necessary for the specific negotiation at hand.

## **12. Conflict of interest.**

No shareholder, employee, director or other Recipient, in the performance of their duties and at different levels of responsibility, shall make decisions or engage in activities that conflict with the interests of the Company or are incompatible with their designated duties.

The terms conflict of interest refers to a situation in which one of the aforementioned subjects pursues, for personal or third-party purposes, objectives other than those assigned to them in order to fulfil their job description or the agreed objectives.

In the event of a conflict of interest, Recipients must refrain from participating, directly or indirectly, in any decision or resolution relating to the subject of such conflict, and expressly declare their situation.

External activities, in particular those with economic implications, must not interfere with the interests of the Company, with the performing of the assigned jobs, or lead to the misuse of resources or influence depending on the role within the Company.

The following are potential causes of conflicts of interest and should be the subject of specific communication:

- direct or indirect investments in joint stock companies or partnerships, in Italy or abroad, which are, even if only occasionally, customers, suppliers and/or service providers or have any commercial, financing, insurance, economic or financial relationship in place, assets of different types, i.e. those operating in competition of the Company. Participating interests in enterprises listed on the Stock Exchange by means of the holding of shares are excluded when the percentage of participation is not of any level of importance that could affect the management of the company itself;
- business relations (with customers, suppliers, financing, insurance, consultancy services, etc.) with companies, undertakings, private or public bodies and generally with anyone in any of the situations referred to in the preceding paragraph.

## **13. Occupational safety.**

As part of its mission, the Company aims to respect ethical principles and social accountability towards the people with whom it collaborates and the community; it intends to dedicate its utmost efforts to the continuous improvement of its health and safety performance at the workplace.

To this end the Company undertakes to disseminate and consolidate a safety-based culture, developing risk awareness and promoting responsible conduct and behaviour by all collaborators.

The Company also undertakes to operate according to all applicable legal safety requirements as well as the voluntarily signed principles, with respect to both workers, contractors and customers, safeguarding their health and safety.

As part of its mission, the Company aims to respect ethical principles and social accountability towards the people with whom it collaborates and the community; it intends to dedicate its utmost efforts to the continuous improvement of its health and safety performance at the workplace.

More specifically, the Company has adopted a safety system based on two key principles:

- organisational measures;
- technical measures.

### Organisational measures.

The Company has suitably identified the Employer, as indicated in art. 2 lett. b) of Leg. Decree no. 81/08, conferring suitable powers regarding organisational, decision-making, management and expenditure aspects. Moreover, a corporate organisational chart has also been created and displays the Middle Management and Directors. Particular emphasis is given to timely IT, training and instruction organisational measures, in accordance with the legal provisions and the State-Regional Agreement in favour of all workers.

As mentioned above, the Company pays particular attention to the health and safety of third parties by adopting organisational measures useful to obtain a pre-qualification of the professional technical requirements of the

contractors and also embodying an effective document management system (e.g. DUVRI), which monitors the risks of interference and the action to be taken.

Among the other organisational measures, special emphasis is placed on the routine meetings (under art. 35 Leg. Decree no. 81/08), on evacuation drills and health monitoring also with reference to the accident and occupational disease index.

#### Technical measures.

The above-mentioned organisational measures must be considered to be an effective adhesion with technical measures, to be understood as company initiatives aimed at identifying all risks, including potential risks, and taking steps to eliminate or at least reduce the same.

Particular attention is also given to the use of machinery and equipment, for which the presence and updating of the User and Maintenance Manual is required, in addition to specific risk assessments.

As a general rule, the planning of each individual activity must aim to prevent and reduce the impacts on possible accidents (including misses), injuries, occupational diseases, using the best available and economically sustainable techniques.

It remains understood that these initiatives and any results shall be disseminated within the Company by means of a clear, correct and timely flow of communications, which will also involve the Supervisory Body.

#### **14. Environment.**

Company activity is managed in accordance with applicable legislation on environmental aspects.

The Company undertakes to disseminate and consolidate a pollution prevention and environmental protection culture among all its Suppliers, developing risk awareness and promoting responsible conduct and behaviour by all employees.

The Company pays utmost attention to the continuous improvement of its activities, minimising the impact on the environment whilst making conscious and responsible use of natural resources.

All Recipients are required to ensure strict compliance with the regulations and obligations arising from reference regulations on environmental protection issues.

#### **15. No breach of the Organisational, Management and Control Model pursuant to Leg. Decree no. 231/ 2001.**

This Code of Ethics, despite responding to the specific function of guiding conduct in the business affairs of the Recipients towards high ethical standards, constitutes simultaneously the first and fundamental component of the Organisational, Management and Control Model adopted by the Company pursuant to arts. 6 and 7 of the Decree.

The Company therefore believes that it must expressly prohibit all criminal conduct that could involve the Company in the event of criminal proceedings taking place under the Decree.

Any violation of the prohibitions illustrated above is completely contrary to the interest of the Company.

The Company must therefore:

- avoid the risk of criminal offences by preventing them, where avoidable, by means of the identification of specific protocols;
- combat the risks at their source;
- enforce punishment pursuant to breaches and infringements.

#### **16. Whistleblowing and prohibition of retaliation.**

The Company promotes the prevention and verification of all unlawful conduct or, in any case, in breach of the Code of Ethics (further to the Model). With this purpose in mind, therefore, any Recipient who becomes aware of a well-founded and substantiated breach of the principles of the Code of Ethics, is required to report it in accordance with the 'Disclosure procedure of wrongdoings and misconduct (so-called Whistleblowing)' that is an integral part of the Model and can be consulted on the Company's website. The latter may envisage further detailed instructions to support the procedure to which reference is made.

Therefore, the Company encourages each Recipient to submit a detailed report on any wrongdoings or violation indicated not only in Leg. Decree no. 24/2023, but also in this Code of Ethics, and of which they became aware of whilst performing their duties.

Regardless of the channel used, the Company undertakes to safeguard the confidentiality of the identity of the Whistleblower and ensure that the same is not subject to any form of retaliation.

Examples of **retaliation** as illustrated in the aforementioned procedure include any conduct, act or omission, even solely attempted or threatened, which occurs as a result of the Whistleblowing disclosure, complaints lodged to the Judicial or Accounting Authority or public disclosure and which causes or is likely to cause unjust damage to the whistleblower directly or indirectly.

### **III. INTERNAL ORGANISATION AND CONDUCT CODE.**

#### **1. Management and Control Bodies.**

The *Governance* staff along with the Control and Supervisory Bodies operate in compliance with the legal provisions, the Articles of Association, the Company's internal regulations, the Model and the Code of Ethics adopted by the Company, promoting a culture of legality and control. In particular, they operate in a manner so as to guarantee:

- the protection of the Company's assets and financial capacities;
- fairness and freedom of expression and information pursuant to decisions taken during meetings.

#### **2. Human Resource management.**

The selection process should be based solely on the *job profile* and the professional aptitude of the candidates for the job. During the recruitment selection interviews, therefore, only information aimed at ascertaining the professional requirements and skills of the candidates can be requested. The objective of the selection process is to create value for the Company and, therefore, no form of nepotism or favouritism is considered tolerable. The Company shall, within the limits of the information available, take appropriate measures during the recruitment and selection process to comply with the above-mentioned principles, including appropriate privacy notices.

#### **3. Contract.**

The Company hires each selected candidate on the basis of a regular work contract and, prior to signing said Contract, informs the candidate in a clear and detailed manner, with further explanations on the job and the tasks to be performed (job description and tasks schedule), pursuant to the fixed and variable elements of remuneration, any benefits granted and informs the candidate of the legal aspects governing the Contract, this Code of Ethics and the Model, as well as the applicable policies.

The Company shall also inform the candidate that the remuneration, training and career advancements are based on predetermined and objective criteria based on fairness, impartiality and merit.

In connection with the above, the Company organises regular training meetings with new recruits to ensure that personnel information is correct and up-to-date.

These meetings should highlight the measures put in place by the Company in terms of occupational health and safety and environment, according to Leg. Decree no. 231/01, the Code of Ethics, Whistleblowing, Regulation (EU) 2016/679 (GDPR).

#### **4. Human Resource obligations.**

Personnel shall carry out their duties based on fairness, loyalty and integrity, respecting the obligations arising from the signed Contract, the regulations in force, the ethical principles of the Company and the rules that the Company has adopted in specific policies and/or guidelines, operating instructions, and other regulations.

Company personnel are required to keep strictly confidential all Company information which they may have become aware of as a result of their work duties or roles. Confidential information includes, but is not limited to, business strategies, financial relationships.

Even after the termination of employment relations, all Recipients shall continue to maintain complete confidentiality with regard to all confidential information concerning the Company which they may have become aware of as a result of their duties or roles.

#### **5. Correct management of corporate and information processing systems.**

All Recipients are required to take maximum care and pay utmost attention when using the Company's materials, work tools and assets, based on the principle of convenience.

Misuse, damage and waste should therefore be avoided and any theft, damage or loss of such assets and equipment should be promptly reported.

Particular attention must be paid to the use of IT systems and the data contained therein, which constitute an essential element of corporate assets. To start with, the security of Company data is the responsibility of individual users.

The use of computers and access to IT procedures must take place in accordance with current internal legislation and procedures and in any case for business purposes only.

#### **6. Complimentary gifts and charitable contributions.**

Recipients shall not solicit or accept, for themselves, for the Company or for others, requests for favourable treatment from the entities they are engaging with.

It is prohibited to promise and/or provide any amounts, favours, benefits of any kind, or gifts of such a value so

as to constitute a potential conflict pursuant to their duties towards the Company and/or to obtain undue advantages.

In any case, it is strictly prohibited to accept or give gifts in cash, even using personal resources.

At any rate, giving or receiving gifts of a modest value and of common practice (e.g. Christmas gifts) or corporate courtesy gifts, is only allowed when its value is modest and does not compromise the integrity and reputation of either party, and cannot be construed by an impartial observer as an attempt to gain undue advantages.

#### **7. Administration and Accounting Procedures.**

The Company operates in compliance with the provisions of the law and regulations applicable to the drafting of the mandatory administrative and accounting documentation.

The data and information must be truthful, correct, timely, accurate, complete and clear so as to ensure transparency of the information contained in the accounting ledgers, guaranteeing that shareholders and third parties have access to a clear picture of the economic, asset and financial position of the Company.

Every operation must be legitimate, authorised, documented, recorded and verifiable.

Personnel are responsible for the integrity, reliability and accuracy of the documents and information used. It is prohibited to falsify, alter or conceal any information or otherwise misrepresent the facts on a Company ledger, or encourage or allow others to do the same.

All Recipients are required to conduct their business in a transparent manner in their relation with the Board of Statutory Auditors and/or the person responsible for the auditing, and to provide full cooperation when carrying out the audit and control activities.

The Administrative Body shall refrain from engaging in any commission or omission-based conduct which prevents control on the part of the shareholders.

In compliance with current anti-money laundering and anti-terrorism regulations, the Company strives to prevent the use of its economic and financial system for money laundering and terrorist financing or the subversion of the democratic order (or any other criminal activity, including those committed through criminal associations, of any kind) by its employees and any parties with whom it collaborates with when carrying out its business activities.

The Company proceeds, therefore, with the utmost care, to verify the information available on business parties to make sure they are respectable and their activities legitimate before establishing business relationships with the same; It shall also ensure that the transactions of which it is party to, carry no risk, even if only potential, of facilitating the receipt, concealment, replacement, transfer or use of money or other property arising from illegal activities, as well as forms of self-laundering.

The management of financial resources shall be carried out in accordance with the approval and authorisation procedures established for that purpose.

#### **8. Drawing up the financial statements, reports and Company communications required by law.**

The Company condemns any behaviour aiming at altering the correctness and truthfulness of the data and information contained in financial statements, reports, or any other company communications required by law. Particular attention shall therefore be paid by the Recipients involved in the drafting of the financial accounts, informative statements and similar documents, so as to provide a true and fair view of the economic, equity and financial situation of the Company.

For this reason, the aforementioned Recipients shall ensure:

- maximum collaboration;
- the provision of complete and clear information,
- high levels of accuracy of data and processing;
- timely reporting of any conflict-of-interest situations.

In addition, it is prohibited to engage in any behaviour aiming to:

- impede or thwart, by concealment or other similar activities, the control and auditing activities legally assigned to shareholders, other company Bodies, the independent Auditor or the Statutory Auditors;
- cause damage to the integrity of shareholders' equity.

#### **IV. EXTERNAL RELATIONS AND CODE OF CONDUCT.**

##### **1. Relations with Supervision Authorities and Control Bodies.**

The Company undertakes to fully and scrupulously comply with the provisions envisaged by the Supervisory Authorities, and by the Supervisory Bodies, and to establish its relations with the above, including any other Public Authority that conducts audit/inspection activities of the Company or its corporate entities (e.g. Revenue Agency, ATS, etc.), cooperate as closely as possible in accordance with their institutional role, and undertake to promptly implement their instructions.

##### **2. Relations with the Public Administration.**

Relations with the Public Administration are reserved exclusively to appointed corporate functions, in accordance with the Articles of Association, powers of attorney and this Code of Ethics.

Relations with the Public Administration must be based on fairness, transparency and traceability, in order to ensure unambiguous conduct that cannot be construed by the parties involved as ambiguous or contrary to current rules and regulations.

It is strictly prohibited to promise and/or offer, directly or through third parties, sums of money or other means of payment to public officials or persons in charge of a public service, in order to influence their activities in the performance of their duties.

These requirements cannot be circumvented by resorting to other forms of contributions which, in the form of sponsorships, consultancy work, advertising, etc., have the same purposes as those prohibited above.

Complimentary gifts and hospitality given to representatives of the Public Administration are only allowed when they are of modest value and, in any case, of a value that does not compromise the integrity and reputation of either party, and cannot be construed by an impartial observer as aimed at obtaining undue advantages. In any case, expenses of this type must be authorised by the individuals indicated in the procedure and accompanied by the appropriate documentation.

In order to prevent the committing of criminal offences, it is prohibited to mislead members of the Public Administrations, through fraudulent conduct or deception, in order to obtain an unfair direct or indirect profit for the Company, consisting in the obtaining or use of grants, financing or other disbursements, however classified, issued by the State, by a public Body or EC institutions.

It is expressly forbidden to submit to any forms of pressure or persuasion, carried out by public officials or persons of a similar role, and aimed at creating a state of psychological subjection in the private individual, which leads the same to act in the sense desired by the subject entrusted with public powers.

These provisions also apply to those who represent the Company in its relations with the Public Administration.

##### **3. Relations with Judicial Authorities.**

Whenever requested or involved, the Company shall operate in a lawful and fair manner, collaborating with the Judicial Authorities and with its related Bodies, in performing their respective functions, even if the same are addressed to the same.

The Company requires Recipients to act in collaboration with, and at the disposal of Judicial Authorities or the Bodies appointed by the Judicial Authority in the case of audits and/or investigations.

In the event that a judicial procedure, investigation or inspection is foreseeable, it is prohibited to destroy or alter records, minutes, accounting entries and any type of document, to lie or to make false statements to the Judicial Authority and/or subjects appointed by the same.

It is expressly prohibited for Recipients to use violence or threats, or offer, or promise to offer money, also pursuant to private resources, or any other benefit (for sake of example only, favours, services, discounts, invitations, job proposals, transfer of corporate assets, etc. ...), for themselves or others, to any person called upon to make statements before the police authorities which may be used in criminal proceedings, in order to induce them not to make such statements or to make false statements, if they have the right to remain silent. Likewise, it is prohibited to accept offers or promises of offers of money or other benefits, for oneself or for others, in order not to make or make false statements before the judicial police.

##### **4. Relations with Trade Unions, Political Organisations and Parties.**

Relations with parties, trade union organizations and other representative associations shall be carried on by the functions authorised to do so or by persons delegated by them, in compliance with the requirements of the Articles of Association, powers of attorney and this Code of Ethics, with particular regard for the principles of impartiality and independence.

The Company does not make direct or indirect contributions to Political parties, or to their representatives or candidates, and abstains from any direct or indirect pressure on political representatives (e.g. through acceptance of recommendations for hiring, consultancy contracts, etc.).

Each Employee shall recognise that any form of involvement in political activities takes place on a personal basis, in his/her free time and own expense and in compliance with the laws in force.

Moreover, the Company does not make contributions to organizations with which there may be a conflict of interests (such as trade unions, consumer protection or environmentalist associations). Forms of strictly institutional cooperation are possible when: the aims are related to the mission of the Company or referable to projects of public interest; the destination of the resources is clear and documented; there is an expressed authorisation by the appropriate company functions.

#### **5. Relations with the *mass media*.**

Relations between the Company and the *mass media* shall be the sole responsibility of the Chair of the Board of Directors, and shall be maintained coherently with respect to the policies, the strategies and communication instruments defined by the Company Bodies, as well as laws, rules and practices of professional conduct.

Information conveyed to the outside is inspired by criteria of truthfulness and transparency, and it is strictly prohibited to make any false statements. In general Company employees are not allowed to give information to representatives of the *mass media* or to commit themselves to giving information without the authorisation of the competent functions.

## V. REFERENCE PRINCIPLES AND CODE OF CONDUCT USED AS CONTROL TOOLS FOR PREDICATE OFFENCES – SYNOPTIC TABLES.

This section provides the reference Principles and the behaviour to be adopted as envisaged by the Code of Ethics in relation to individual Alleged Predicate Offence, in addition to:

- compliance with the laws in force;
- compliance with the Company's Organisational, Management and Control Model;
- compliance with the Prevention Protocols pursuant to Leg. Decree no. 231/01;
- compliance with the Articles of Association, powers of attorney and the appointed powers.

PREDICATE OFFENCE	REFERENCE PRINCIPLES	PROCEDURES TO FOLLOW
<b>Art. 24</b> - Misappropriation of public funding, fraud against the State or a public Body or the European Union to obtain public funding or IT fraud against the State or against a public Body and fraud in procurement to public entities	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Transparency;</li> <li>- Human resource value;</li> <li>- Loyalty;</li> <li>- Protection of corporate assets;</li> <li>- Conflict of interest;</li> <li>- Environment.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with Model Protocols;</li> <li>- Compliance with the basic principles of PA stakeholders;</li> <li>- Compliance with powers of attorney and appointed powers.</li> </ul>
<b>Art. 24bis</b> – Computer crimes and illicit data processing.	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Integrity;</li> <li>- Transparency;</li> <li>- Protection of personal data;</li> <li>- Human resource value;</li> <li>- Conflict of interest.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with business instructions/corporate asset user regulations;</li> <li>- Compliance with appointed powers (e.g. privacy organisation chart).</li> </ul>
<b>Art. 24ter</b> – Organised crime;	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Integrity;</li> <li>- Transparency;</li> <li>- Protection of personal data;</li> <li>- Human resource value;</li> <li>- Loyalty;</li> <li>- Protection of corporate assets;</li> <li>- Environment.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with regulatory provisions;</li> <li>- Compliance with Model Protocols;</li> <li>- Compliance with the basic principles of PA stakeholders;</li> <li>- Compliance with powers of attorney and appointed powers;</li> <li>- Maintenance of integrity requirements.</li> </ul>
<b>Art. 25</b> - Bribery, illegal abuse of a position, undue induction to give or promise benefits, corruption and abuse of office	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Integrity;</li> <li>- Transparency;</li> <li>- Fairness;</li> <li>- Human resource value;</li> <li>- Loyalty;</li> <li>- Protection of corporate assets;</li> <li>- Equal opportunities;</li> <li>- Conflict of interest;</li> <li>- Environment.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with regulatory provisions;</li> <li>- Compliance with Model Protocols;</li> <li>- Compliance with the basic principles of PA stakeholders;</li> <li>- Compliance with powers of attorney and appointed powers;</li> <li>- Maintenance of integrity requirements.</li> </ul>

<b>Art. 25bis</b> – Counterfeiting of legal tender, credit cards, revenue stamps and identification instruments or trademarks;	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Integrity;</li> <li>- Human resource value;</li> <li>- Loyalty;</li> <li>- Protection of corporate assets;</li> <li>- Conflict of interest.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with regulatory provisions;</li> <li>- Compliance with Model Protocols;</li> <li>- Compliance with the basic principles of PA stakeholders;</li> <li>- Compliance with powers of attorney and appointed powers;</li> <li>- Maintenance of integrity requirements.</li> </ul>
<b>Art. 25 bis1.</b> – Crimes against industry and commerce.	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Integrity;</li> <li>- Transparency;</li> <li>- Protection of personal data;</li> <li>- Human resource value;</li> <li>- Loyalty;</li> <li>- Protection of corporate assets;</li> <li>- Conflict of interest.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with regulatory provisions;</li> <li>- Compliance with Model Protocols;</li> <li>- Compliance with Company instructions;</li> <li>- Maintenance of the confidentiality obligations for corporate know how.</li> </ul>
<b>Art. 25– ter</b> - Corporate offences.	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Integrity;</li> <li>- Transparency;</li> <li>- Protection of personal data;</li> <li>- Human resource value;</li> <li>- Loyalty;</li> <li>- Protection of corporate assets;</li> <li>- Conflict of interest.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with regulatory provisions;</li> <li>- Compliance with Model Protocols;</li> <li>- Compliance with the drafting principles for financial statements;</li> <li>- Compliance with powers of attorney and appointed powers.</li> </ul>
<b>Art. 25quingies</b> – Crimes against the person and the individual.	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Integrity;</li> <li>- Transparency;</li> <li>- Fairness;</li> <li>- Protection of personal data;</li> <li>- Human resource value;</li> <li>- Loyalty;</li> <li>- Diversity and inclusion;</li> <li>- Equal opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with regulatory provisions;</li> <li>- Compliance with Model Protocols;</li> <li>- Compliance with Company instructions.</li> </ul>
<b>Art. 25 septies</b> - Manslaughter or serious bodily harm committed with breach of laws governing the safeguarding of workplace health and safety.	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Integrity;</li> <li>- Transparency;</li> <li>- Protection of personal data;</li> <li>- Fairness;</li> <li>- Human resource value;</li> <li>- Loyalty;</li> <li>- Protection of corporate assets (human);</li> <li>- Diversity and inclusion;</li> <li>- Equal opportunities;</li> <li>- Conflict of interest;</li> <li>- Occupational safety.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with regulatory provisions;</li> <li>- Compliance with Model Protocols;</li> <li>- Compliance with Company instructions;</li> <li>- Compliance with powers of attorney and appointed powers (e.g. under Leg. Decree no. 81/08);</li> <li>- Compliance with assigned job descriptions;</li> </ul>



		- Compliance with the health plan.
<b>Art. 25octies</b> – Handling of stolen goods, laundering and use of money, goods or profiles of unlawful origin, as well as self-money laundering;	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Integrity;</li> <li>- Transparency;</li> <li>- Protection of personal data;</li> <li>- Human resource value;</li> <li>- Loyalty;</li> <li>- Protection of corporate assets;</li> <li>- Conflict of interest;</li> <li>- Environment.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with regulatory provisions;</li> <li>- Compliance with Model Protocols;</li> <li>- Compliance with powers of attorney and appointed powers;</li> <li>- Compliance with legal limits on the use of cash.</li> </ul>
<b>Art. 25octies.1</b> – Offences regarding non-cash means of payment.	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Integrity;</li> <li>- Transparency;</li> <li>- Protection of corporate assets;</li> <li>- Conflict of interest.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with regulatory provisions;</li> <li>- Compliance with Company instructions;</li> <li>- Compliance with powers of attorney and appointed powers;</li> <li>- Compliance with legal limits on the use of cash.</li> </ul>
<b>Art. 25novies</b> – Offences regarding the breach of copyright.	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Protection of corporate assets.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with regulatory provisions;</li> <li>- Compliance with Company instructions.</li> </ul>
<b>Art. 25decies</b> – Inducement not to make statements, or to make false statements, that can be used in criminal proceedings.	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Integrity;</li> <li>- Transparency;</li> <li>- Protection of personal data;</li> <li>- Human resource value;</li> <li>- Loyalty;</li> <li>- Protection of corporate assets;</li> <li>- Environment.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with regulatory provisions;</li> <li>- Compliance with Model Protocols;</li> <li>- Compliance with basic principles with the PA stakeholders;</li> <li>- Maintenance of integrity requirements.</li> </ul>
<b>Art. 25undecies</b> – Environmental crimes.	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Integrity;</li> <li>- Fairness;</li> <li>- Human resource value;</li> <li>- Loyalty;</li> <li>- Protection of corporate assets;</li> <li>- Diversity and inclusion;</li> <li>- Equal opportunities;</li> <li>- Environment.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with regulatory provisions;</li> <li>- Compliance with Model Protocols;</li> <li>- Compliance with Company instructions;</li> <li>- Compliance with basic principles with the PA stakeholders;</li> <li>- Compliance with powers of attorney and appointed powers.</li> </ul>
<b>Art. 25duodecies</b> – Employment of third-party country	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Fairness;</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> </ul>

nationals whose stay is irregular”.	<ul style="list-style-type: none"> <li>- Human resource value;</li> <li>- Loyalty;</li> <li>- Protection of corporate assets;</li> <li>- Diversity and inclusion;</li> <li>- Equal opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with regulatory provisions;</li> <li>- Compliance with Model Protocols;</li> <li>- Compliance with Company instructions;</li> <li>- Compliance with basic principles with the PA stakeholders;</li> </ul>
<b>Art. 25-quinquiesdecies</b> - Tax Crimes.	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Integrity;</li> <li>- Transparency;</li> <li>- Protection of personal data;</li> <li>- Loyalty;</li> <li>- Protection of corporate assets;</li> <li>- Conflict of interest;</li> <li>- Environment.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with regulatory provisions;</li> <li>- Compliance with Model Protocols;</li> <li>- Compliance with Company instructions;</li> <li>- Compliance with basic principles with the PA stakeholders;</li> <li>- Compliance with powers of attorney and appointed powers;</li> <li>- Compliance with tax deadlines;</li> <li>- Authenticity of statements obligation.</li> </ul>
<b>Art. 25sexiesdecies</b> – Smuggling.	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Integrity;</li> <li>- Protection of corporate assets;</li> <li>- Conflict of interest.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with regulatory provisions;</li> <li>- Compliance with Model Protocols;</li> <li>- Compliance with Company instructions;</li> <li>- Compliance with basic principles with the PA stakeholders;</li> </ul>
<b>Transnational crimes.</b>	<ul style="list-style-type: none"> <li>- Legality;</li> <li>- Integrity;</li> <li>- Transparency;</li> <li>- Protection of personal data;</li> <li>- Human resource value;</li> <li>- Loyalty;</li> <li>- Protection of corporate assets;</li> <li>- Environment.</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with ethical principles;</li> <li>- Compliance with regulatory provisions;</li> <li>- Compliance with Model Protocols;</li> <li>- Compliance with basic principles of PA stakeholders;</li> <li>- Compliance with powers of attorney and appointed powers;</li> <li>- Maintenance of integrity requirements.</li> </ul>

## **VI. BREACHES OF THE CODE OF ETHICS**

### **1. Introduction**

Any conduct which fails to comply with the provisions of the Code of Ethics will be prosecuted and sanctioned, as it is contrary to the principles adopted by the Company.

Breaches of the provisions of the Code of Ethics constitute infringements of the trust-based relationship with the Company and constitute a disciplinary offence: disciplinary sanctions are applied without prejudice to further criminal proceedings. Sanctions imposed pursuant to breaches of the Code of Ethics will be commensurate with the type of breach and the consequences for the Company and will be put in place in compliance with applicable regulations and National Collective Bargaining Agreements in force.

With regard to the sanctions applicable to Company employees, it should be noted that the committing or attempted committing of the offences envisaged by the Decree constitutes a serious disciplinary offence and also leads to serious violations of ethical principles. As for self-employed workers and third-parties, violation of the provisions indicated in this Code of Ethics may lead to the termination of the Contract pursuant to art. 1453 of the Italian Civil Code.

### **2. General principles of the Code of Ethics.**

In accordance with the provisions of art. 6, paragraph 2, lett. (e) of the Decree which states that: *‘..... with regards to the extension of delegated powers and the risk of committing offences, the models referred to in letter a, of paragraph 1, must fulfil .... the requirement to introduce a disciplinary system able to punish the failure to observe the measures indicated in the Model’*, it is deemed necessary to extend such extensions also to the Code of Ethics.

In fact, as per the Model, the adoption of an ad hoc disciplinary system is an essential and necessary requirement to render a Code of Ethics effective, where the sanctions must be considered as an element used to prevent the committing of disciplinary offences. In fact, it is not possible to foresee inefficient provisions of a sanctioning system, since their absence, as in the case of the Model, would invalidate the provisions contained in the Code of Ethics.

The functions of the disciplinary system include that of making the Code of Ethics efficient and effective.

However, it is necessary to specify how the disciplinary system, within its framework, must:

- take action to sanction offenders of the ethical principles envisaged by the Code of Ethics;
- be drawn up in writing and duly disclosed – as an essential part of the Code of Ethics;
- be compatible with the regulations in force and existing contractual agreements;
- be characterised by appropriate and effective measures,
- envisage a number of sanctions, graduated according to the severity level of the certified breaches,
- envisage sanctions that range from precautionary measures for the minor infringements to the most serious breaches that may lead to the termination of the relationship between the perpetrator and the Company, in the most serious situations;
- comply with the constitutional principle (Constitutional Court no. 220/1995) whereby the exercising of disciplinary powers must always comply with the principle of proportion, ensuring the involvement of the person concerned, pursuant to the adversarial procedure. For employed individuals, these principles are referred to in arts. 2106 of the Italian Civil Code and 7 Law no. 300/70.

The application of the disciplinary system and of the related sanctions is independent from the execution and result of the criminal procedure that the Judicial Authority may have eventually initiated, in the case where the behaviour to be censured is also valid to supplement a criminal situation in accordance with the Decree.

### **3. Breaches of the Code of Ethics.**

By way of example only, the following are just some of the certain behaviours that could be subject to censorship:

- carry out actions or behaviour, or omissions, which fail to comply with the principles and regulations indicated in the Code of Ethics;

- encourage incomplete and/or false compiling of the supporting documentation pursuant to the Code of Ethics,
- facilitate the preparation by third parties, in an incomplete and/or untruthful manner, of supporting documentation to the Code of Ethics;
- failure to draw up the documentation required by the Code of Ethics.

Apart from the examples of conduct briefly introduced above, it is important to illustrate how the disciplinary system identifies the breaches of the principles and conduct envisaged by the Code of Ethics, and identify the sanctions, as foreseen for employed personnel in accordance with the laws and National Collective Bargaining Agreement (CCNL) as seen below.

The disciplinary system is, in any case, binding on all employees and, pursuant to Art. 7, paragraph 1, Law no. 300/70, must be available to all concerned *‘by posting it in an easily accessible place’*.

Moreover, the application of disciplinary sanctions is independent of the outcome of any criminal proceedings, as internal rules of conduct and procedures are binding on the Recipients, regardless of whether an offence is actually committed as a result of the conduct in question.

#### **4. Disciplinary measures.**

Disciplinary measures are enforceable in accordance with the provisions of art. 7 of Law no. 300/70 of the so-called Workers' Statute as amended, as well as the reference CCNL, more specifically the **National Collective Bargaining Agreement - Pharmaceuticals Chemicals Industry – Abrasives sector**.

##### **A. Non managerial workers.**

With regard to this category of workers, the following are the conduct that constitutes a breach of the Code of Ethics and the relative sanctions:

- 1) **verbal reprimands** shall be given to workers who commit a minor non-compliance in relation to the what envisaged by the Code of Ethics or which tolerates minor irregularities in compliance with the Code of Ethics;
- 2) **written reprimands** shall be sent to workers who commit a minor breach of the Code of Ethics or acts in a manner which is ethically reprehensible. This is joined by omissions punishable by verbal reprimand where, in objective circumstances, specific consequences or recurrence aspects, they are of greater importance, or a tolerance of minor irregularities in compliance with ethical principles;
- 3) procedures where a worker who is a repeat offender of the breach of ethical principles or who acts in a manner that does not comply with such principle, is subject to **fines, not exceeding the amount of 4 hours of normal salary**;
- 4) the **suspension of service and salary for a period not exceeding 8 days** shall be imposed on a worker who infringes the principles envisaged by the Code of Ethics, or acts in a manner which is not consistent with those principles. In addition, the tolerance of serious irregularities in relation to the Code of Ethics;
- 5) workers who engage in malicious behaviour in breach of ethical principles risk being **dismissed**.

Claims against dismissals pursuant to breach of the provisions referred to in point 5) of this article can be lodged as envisaged by art. 7 of Law no. 604 of 15 July 1966.

\*\*\*

The disciplinary procedure, leading to the application of the above-mentioned measures is regulated by the C.C.N.L. in force and therefore:

- a) no disciplinary measures can be imposed on an employee without discussing the matter with the same beforehand;
- b) except in the case of verbal reprimands, the claim shall be lodged by employees in writing, with specific indication of the facts constituting the breach;
- c) disciplinary measures shall not be enforced until 8 days have elapsed since the claim was lodged, during which time employees may present their defence case. If the disciplinary measure is not issued within 8 days of the first 8 days envisaged for the submission of evidence, and therefore within 16 days of the lodged claim, the defence case shall be deemed accepted.
- d) the measure shall be issued within 16 days of the lodged claim, even if the employee does not provide any form of defence. In the event that the offence in question is of a level of severity which also contemplates dismissal measures, workers may be suspended from their post as a precautionary measure until the actual disciplinary measure is imposed, without prejudice to the right to received remuneration for the period in question. The enforcement of the measures must be clearly motivated and notified in writing. The employee may appeal against the disciplinary measures other than dismissal in the Trade Unions, according to the contractual rules envisaged by art. 68 of the reference CCNL. No previous disciplinary sanctions shall be effective after 2 years have lapsed since their application.

##### **B. Board of Directors.**

The Company is extremely strict in its assessment of all breaches of the Code of Ethics by those who represent Company management and represent its external image.

The liability of Directors towards the Company is, in all respects, regulated by art. 2392 of the Italian Civil Code.

**The meetings of shareholders** have the task of assessing any breaches and putting in place the most appropriate disciplinary measures against the member(s) of the Board of Directors who has/have violated the provisions of the Code of Ethics.

The **Meetings of shareholders** shall decide on the imposition and possible type of sanction, in accordance with the principle of proportionality.

The Meetings of shareholders are, in any case, without prejudice to the possibility of liability proceedings and the consequent possible revocation of office and request for compensation for the damage suffered under the

rules of the Civil Code applying the relevant legislation.

**C. Measures applicable to independent individuals.**

All behaviour carried out by independent individuals (for example, collaborators, consultants and, more generally, individuals performing self-employed activities, suppliers and partners etc.). ...) contrary to the laws in force and the Code of Ethics such as to contemplate the risk of committing a crime provided for in the Decree may determine, in accordance with the provisions of the specific contractual clauses included in the letters of appointment or the contracts, the termination of the contractual relationship.

## **V. IMPLEMENTATION OF THE CODE OF ETHICS**

### **1. Methods of Implementation.**

The Company guarantees due awareness and dissemination of the Code of Ethics to all Recipients. As soon as approved, or in the event of any changes, the same shall be communicated to all Company personnel, using the most appropriate means of dissemination, attesting to the receipt of the Code of Ethics.

In addition, forms of communication of the Code of Ethics are envisaged when new employees are recruited, and training activities are provided.

As for the subject outside the Company, contracts governing relations with the Company must include appropriate forms of communication of the Code of Ethics, as well as clear responsibilities concerning the compliance with the Company's business policies and, in particular, the Code of Ethics.

### **2. Adoption and amendment of the Code of Ethics.**

This Code of Ethics is adopted with a decision passed by the Board of Directors of **Abra Beta S.p.A.**

The Board of Directors is also responsible for any future amendment to it, to be adopted by means of specific resolutions.