

REGULATION:

310 – Ethical and Conduct Code of Salcef Group




LIST OF VARIATIONS

REV.	DATE	AMENDED PAGE or SUBJECT
3	07/09/2020	Update to paragraphs 3.6, 4.1.3 and 4.3.2 and insertion of paragraphs 3.8.1, 3.8.2 and 4.2.2
2	20/02/2019	Update following change to company structure and recent changes to legislation: L. 161/2017, L. 167/2017, L. 179/2017, D.lgs. 21/2018, L. 3/2019
1	25/10/2017	Change to heading in “Ethical and Conduct Code of Salcef Group” and update in response to new review of the Model, Italian legislative decree D.lgs. 231/2001
0	19/02/2016	Update of previous edition to comply with new company setup

APPROVAL RECORD

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LEGEND

	Information
	Example
	Syntax

Translation from the Italian original which remains the definitive version.

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Ethical and Conduct Code of Salcef Group

1 Introduction

1.1 Object and scope

The Salcef Group bases all actions, operations, dealings and transactions defined below in managing different company business on the principles of this Ethical Code.

This Ethical Code contains the guiding principles governing the business activities of the Salcef Group and is binding on company representatives, directors or managers or on those who manage and control them or who cooperate and collaborate with them in pursuing their business objectives, all employees, the collaborators who work continuously with the Companies of the Salcef Group, mainly work for them or on anyone who does business with the Salcef Group (defined as ‘Recipients’ as described in §1.2).

This regulation applies to all the parties defined as ‘Recipients’ as described in §1.2.

This document is issued by the company Salcef Group S.p.A. and applies to all the companies of the Salcef Group.

Each company of the Group will issue the relative reminder document and specify any exceptions or particular cases to apply.

1.2 Definitions

RECIPIENTS	The recipients of these regulations are company representatives, directors or managers or those who manage and control the Companies or who cooperate and collaborate with them in pursuing the business objectives, and all employees and collaborators who work continuously with the Companies of the Salcef Group, mainly work for them and anyone who does business with the Salcef Group.
MANAGEMENT	Management are all the resources that enable the company, by decisions, powers, and proxies, to accomplish its mission.
SALCEF GROUP (or “GROUP”)	Salcef Group is all of Salcef Group S.p.A. and all subsidiaries as defined by the Italian Civil Code
INSIDER TRADING	Exploitation of information that is not in the public domain divulgation of which will affect security listings, to trade in the stock market to reap benefit of their foreknowledge.
CHILD LABOUR	Any work performed by a person below the age of 15.
COMPULSORY LABOUR (OR “FORCED LABOUR”)	Any task or service that a person has not offered to do voluntarily, or which is performed under the threat of punishment or consequences or is requested as a form of payment of a debt.

MODEL 231	Organisation, Management and Control Model (Governance Model) pursuant to Italian legislative decree D.lgs. 231/2001 of Salcef Group S.p.A.
SUPERVISORY BODY	Autonomous and independent (one-person or collective) body appointed by CEO that supervises operation of and compliance with Model 231
GOVERNING BODY	<p>The Governing Body (also known as the or Administration Body) is the body to which running of the company is entrusted exclusively. It further performs the tasks necessary to implement the company aim.</p> <p>The Governing Body can consist of a sole person (Sole Director) or be collective (Board of Directors).</p> <p>In the case of a Board of Directors, the latter can appoint one or more Chief Executive Officers. The power of attorney can be of general character or be limited to single attributions. Within this procedure, also the Chief Executive Officer falls within the definition of governing body.</p>
COMPANY (or “FIRM”)	This is each of the Companies of the Salcef Group.

1.3 Acronyms

CEO	Chief Executive Officer
SA	Sole Director
BOD	Board of Directors
DO	Governing Body
OdV	Supervisory Body
SG	Salcef Group S.p.A., the holding company of the Salcef Group
HR	Human Resources Department of SG

1.4 Reference standard

- SA8000:2014 International social accountability standard for companies
- ISO 37001:2016 Anti-bribery management systems
- D.lgs. 196/2003 Personal data protection code
- European Union regulation n. 2016/679 General Data Protection Regulation (GDPR)
- D.lgs. 81/2008 and subsequent measures and additions Consolidated Health and Safety in the Workplace Act

- D.lgs. 231/2001 Administrative responsibility of corporate bodies, companies and also associations that have no legal personality
- Art. 18 of law 196/1997 Law 196 of 24 June 1997 regarding the promotion of employment
- D.l. 850/2011 Decree concerning entry visas
- D.lgs. 286/1998 Consolidated provisions concerning immigration and regulations concerning the status of foreigners
- Law 183/2010 Delegation to the government of the review of regulations on physically debilitating work
- Law 92/2012 Provisions governing the reform of the expanding labour market
- Law 183/2014 Delegation to the government of the reform of social cushioning systems, labour services and active policies and overhauling work relationships and inspection, protection and conciliation of care, life and work needs.
- D.lgs. 23/2015 Provisions concerning full time labour contracts providing increasing protection, being implemented by law 183 of 10 December 2014.
- D.lgs. 81/2015 Organic organization of labour contracts and review of regulations governing job descriptions in compliance with article 1, sub-section 7 of law 183 of 10 December 2014.
- Relative Collective National Employment Contract (CCNL) for the relative sector (Engineering/Building/Senior Executives)
- D.lgs. 30/2005 Industrial property code
- D.lgs. 50/2016 Code for public contracts for works, supplies and services
- Italian Royal Decree R.D. 262/1942 Civil Code

and all subsequent amendments and supplements.

1.5 Company reference documents

300-Regulation

Regulation 305 – Work Regulations	22
Regulation 306 – Disciplinary Code	10; 22
Regulation 310 - Ethical and Conduct Code of Salcef Group	17

All non-attached documents are available on the company ERP.

2 Obligations of the recipients

The recipients must be familiar with this Ethical and Conduct Code of Salcef Group and the employees are also called upon to contribute actively to strict compliance therewith.

The recipients undertake to comply strictly with the provisions of this Ethical and Conduct Code of Salcef Group at the moment of accepting the appointment, i.e. when signing the employment contract and hereby from the start of the collaboration with the Salcef Group, and for the entire period in which they perform tasks at the Group or in the interest of the Group.

The Salcef Group undertakes to ensure:

- a) maximum dissemination of the Ethical Code amongst recipients;
- b) disseminating knowledge, training, clarification and familiarization instruments regarding the contents of the Ethical Code;
- c) conducting periodic verification of compliance by the recipients with the provisions contained in the Ethical Code;
- d) updating the Ethical Code regarding the development and changes in management activities, organization or infringements encountered following the aforesaid tests;
- e) applying suitable sanctions in the event of infringement of the conduct standards and rules of the Ethical Code.

It is the duty of all recipients to familiarize themselves with the standards contained in the Ethical Code.

In particular, the recipients must:

- comply diligently with the provisions of the Ethical Code, and abstain from any conduct that is contrary thereto;
- refrain from behaviour that is in any way contrary to the provisions of the Ethical Code;
- report to the Supervisory Body any conduct that in the sphere of Company business even only potentially infringes the provisions of the Ethical Code;
- collaborate with the Supervisory Body in ascertaining possible and/or presumed infringements of this Ethical Code;
- not take any initiative that is contrary to the content of the Ethical Code.

With regard to third parties with whom the Group has dealings that may significantly affect Group business, in terms of both the type and size of activity engaged in, the recipients must:

- inform them appropriately of the provisions of this Ethical Code;
- enforce compliance with the provisions of the Ethical Code in performing the tasks in relation to which the parties have dealings with the Companies;
- report to the Supervisory Body any conduct that in the sphere of dealings between third parties and the Group Company even only potentially infringes the provisions contained in the Ethical Code and adopt the initiatives provided for in case of noncompliance, by third parties, with the obligation to comply with the provisions of the Ethical Code.

3 Ethical Principles

3.1 Compliance with the law and the rules of conduct

The recipients are required to comply with legislative and regulatory provisions in force in all the countries in which the Group operates. In no case is it permitted to break the law in pursuit of or in order to achieve the interest of the Group.

Further, the recipients must comply with the strictest conduct rules, in particular in dealings with public authorities in full compliance with institutional functions.

The conduct of the recipients, in the tasks performed in the interest of the Salcef Group, is inspired by honesty and legitimacy, in accordance with current standards.

3.2 Respect for the company aim

The company officers, the employees of the Companies of the Group, and the consultants, collaborators, representatives and third parties who act on behalf of them through powers of attorney or proxies, must act within the limits set by such powers of attorney or proxies. Beyond these limits, in performing their tasks or work, parties and all those who do not have powers of attorney or proxies are forbidden to commit or make believe that they are able to commit the Companies or Bodies of the Group to which they belong or which they represent.

3.3 Compliance with company procedures

Officers of the Company, employees of the Companies of the Group, and the consultants, collaborators, agents, proxies and third parties who act on behalf of them must comply with company operating procedures.

3.4 Equality and impartiality

When managing the different companies and in all the corresponding decisions (including merely by example, the choice of customer, the management of staff and the organization of work, the selection and management of suppliers, dealings with the community and the institutions that represent it, etc), the recipients must operate with impartiality in the best interest of the Companies, taking decisions with professional rigour and impartiality, according to objective and neutral evaluation criteria.

3.5 Integrity, honesty, transparency and reliability

When performing work or professional tasks, the operations, negotiations and, more in general, the behaviour of the recipients, are based on maximum transparency and reliability.

When managing company activities, the recipients must also provide transparent, truthful, complete and accurate information. In this connection, the Salcef Group, through its liaison officers, will work with company auditors and external auditing companies in the performance of their relative duties.

3.6 Loyalty, propriety and good faith

All business of the Salcef Group must be conducted with full commitment, diligence and professionalism in a spirit of mutual respect and collaboration.

The recipients are told to perform their allocated tasks with commitment that is appropriate to the responsibilities assigned to them to protect the image and reputation of the Salcef Group and of each of its Companies.

The recipients, as part of the relations established with the Salcef Group, must refrain from activities that are contrary to the interest of the Company because they are aware that acting in the interest of the Companies cannot in any way justify conduct that infringes the principles of the Ethical Code.

When performing tasks, situations must be avoided in which the parties involved in the transactions are or can be faced with conflicting interests, a conflict of interest being defined as a situation in which the recipient follows an interest that is different from that of the Salcef Group or engages in activities that may somehow interfere with his capacity to take decisions in the exclusive interest of the Group or personally takes advantage of business opportunities of the Companies.

It is the duty of each employee or collaborator to work in the exclusive interest of the Company, avoiding any situation of conflict that may cause harm or bring about situations of unfair personal advantage, also through relatives or parties with whom the employee or collaborator has a private relationship.

By way of non-exhaustive example, the following situations may give rise to conflicts of interest:

- having decision-making functions or economic, financial or personal interests with customers, suppliers, competitors or trade partners;
- using to one's own advantage one's position in the Company or information acquired in the course of work and thereby harming the interests or the accomplishment of the mission of the Company;
- being placed in the same company function in which individuals work with whom one has developed strong emotional connections which may not be formal.

In the event of a conflict of interest, the recipients must immediately inform their line manager or company contact and comply with the decisions taken by each Company.

3.7 Confidentiality and protection of company know-how

The Salcef Group recognizes confidentiality as a rule that is fundamental and necessary for all conduct. The Companies thus assure the confidentiality of the information in their possession and refrain from using confidential data unless expressly and consciously authorized to do so and always in strict compliance with current privacy legislation.

3.7.1 Protection of personal data

Personal data, as defined by current regulations are processed in strict compliance with the rights and freedoms of the data subjects. The Salcef Group undertakes to protect the confidentiality of the data and information of its employees and/or the collaborator that may be in its possession for professional reasons. Personal data may be disclosed only to those who actually need to know them in order to perform their specific duties.

3.7.2 Confidential information

All information is deemed to be confidential, also pursuant to and in accordance with the provisions of art. 98 of the Industrial Property Code (Italian legislative decree D.lgs. 30/2005), that is disclosed by the Company to the recipients or is gained by the latter in any written, verbal, electronic form, by direct viewing or any other intelligible form resulting from or through the effect of the work relationship. More in particular, this information must be deemed to be, at least by way of example, the information regarding the products and/or productive processes applied, the scientific and technological know-how, design and/or research and development, means of production and other company means, the technical and marketing analyses, the product specifications and the details of new products, the organization of production or of the Group and of the Company, the services provided by the Company, the commercial information, the customer management policy, the management and performance of the Company, the Company's dealings with third parties.

The body of information deemed to be confidential consists of all the information that may be gained in the environment of the Salcef Group for any reason, even if the information is not specifically classified as confidential or secret.

3.7.3 Confidentiality obligation

Recipients are obliged to ensure the confidentiality of the confidential information (as defined in §3.7.2) and to use the information exclusively to perform their tasks, but must not use it for other purposes.

Recipients have the obligation not to disclose, transfer, communicate and/or divulge confidential information or part of such information to third parts without the Company's prior written consent.

The confidentiality obligation will remain in force until the information deemed to be confidential becomes generally known to operators of the sector. If one or more elements constituting the confidential information become known, the secrecy provision shall remain in force for the elements that are not yet known. This secrecy provision shall accordingly remain in force after the termination of the working relationship until the elements constituting the confidential information have been made known.

Information may be divulged to third parties exclusively by authorized parties and in all cases in conformity to Company rules. For this purpose, the Salcef Group applies and updates constantly policies and procedures for protecting information.

No employee or collaborator may gain any kind of direct or indirect, personal or financial advantage from using confidential information or divulge such information to others or encourage or induce others to use such information.

Failure to comply with the confidentiality obligation is punishable by articles 622 and 623 of the Italian Criminal Code safeguarding the inviolability of professional secrets and the measures specified in *Regulation 306 – Disciplinary Code*.

3.7.4 *Inventions and copyright*

The Group protects its own intellectual property rights, including copyright, patents, trademarks and identifying marks and also respects the intellectual property of others. Accordingly, the unauthorized reproduction of software, documentation or other materials protected by copyright outside the scope permitted by each of the licence agreements is contrary to Company policy.

Rights arising from an industrial invention devised by a party that has a contract, or working relationship with or is an employee of the Company, regardless of whether the inventive activity (and the corresponding remuneration) is envisaged in the work relationship governed by article 64 of the Italian Industrial Property Code (Italian legislative decree D.lgs. 30/2005). The inventor is entitled to be recognized as the inventor and, if specified, is entitled to remuneration.

This industrial invention can be deemed to be tangible (machinery, equipment, etc) or non-tangible (software). The Salcef Group condemns all forms of interference with freedom of industry or trade and any possible form of unfair competition, fraud, counterfeiting or usurpation of industry property rights, demanding from all those who operate in the interest of the Company to comply with existing regulations protecting instruments or signs of authentication, certification or recognition, in order to protect industry and commerce.

3.8 *Value of the individual and of human resources.*

For the Salcef Group, human resources are an indispensable and precious asset for its very existence and future development.

In order to enhance the skills and competencies of its employees, the Salcef Group adopts merit criteria and guarantees equal opportunities to all.

The Salcef Group also undertakes to ensure that authority is exercised fairly and properly and all abuses are avoided. In particular, authority must never be transformed into exercise of power that lessens the dignity and independence of employees and collaborators in the widest sense. The choices made in the organization of the work must safeguard the value of the employees and the collaborators.

The Salcef Group ensures the physical and moral integrity of its employees and collaborators, work conditions that are respectful of individual dignity and safety and healthy work environments. Requests or threats against persons to induce them to act against the law and the Ethical Code, or to adopt conduct that harms the convictions and moral and personal preferences of each person.

3.8.1 Child Labour

The Salcef Group rules out exclusively the use of child labour (worker below 16 years of age). Accordingly, at the moment of the selection of a new employee, the age of the candidate will be ascertained.

The Salcef Group ensures adherence to this principle even if it uses temporary agency staff.

3.8.2 Compulsory labour

The Salcef Group does not resort to or support compulsory labour. Work performed by all staff in the company is completely voluntary, nobody is a victim of threats or intimidation that force them in any way to work for the Company.

Moreover, the Salcef Group, at the moment of hiring, always applies the “Collective National Employment Contract” for the relative sector or its equivalent outside Italy. In the case of foreign workers, these contracts will be translated into the worker’s native language.

When a worker is hired, he or she is informed of the method of resigning and the main rules of conduct established by the company.

3.9 Environmental Protection and Safety

For the Salcef Group, protection of the environment is a core value for the community and is compatible with company development.

The Salcef Group accordingly undertakes to operate at its headquarters and on worksites in compliance with current regulations, applying the best available technologies to promote and program development of its business in order to exploit natural resources, preserve the environment and promote initiatives for comprehensive protection of the environment.

The Group further operates taking into account the communities in which it works (geographical locations of the worksites) and contributes to their economic, social and civic development.

4 Rules of Conduct

The rules are illustrated below whose purpose is to indicate the conduct to be followed in the different company activities in order to comply with the contents of the Ethical Principles.

4.1 Corporate Governance Rules

4.1.1 Propriety and transparency of Company Information

Each action, operation or transaction must be correctly recorded in the company accounting system according to the criteria indicated by the law and applicable accounting principles and therefore be duly authorized, verifiable, legitimate, consistent and congruous.

In order to ensure that the accounts are truthful, complete and transparent, every operation must be recorded in the records by appropriate and complete documentation documenting the activity so as to permit:

- a) thorough accounting records,
- b) immediate identification of the features and reasons underlying the operation;
- c) easy formal and chronological reconstruction of the operation;
- d) check of the decision-making, authorization and implementation process and the definition of the different levels of responsibility.

Each employee and collaborator works within their own area of responsibility to ensure that Company business is correctly and promptly recorded in the accounts, also in compliance with tax regulations and the relative tax obligations (e.g. tax returns, liquidations and payments) in force in the countries in which the Group operates.

Each bookkeeping entry must reflect exactly the records of the supporting documentation. Accordingly, it is the duty of each employee and collaborator assigned to this task to ensure that the support documentation is easily accessible and ordered according to logical criteria and the corresponding company procedures.

The Salcef Group promotes and disseminates, at each level of the Group, the culture of control by making its employees aware of the importance of the system of internal checks and compliance in work activities with legislation and with Group procedures, in order to:

- ensure the appropriacy of the different company processes in terms of efficiency, efficacy and economy;
- ensure the reliability and correctness of the accounting records and the safeguard of company equity;
- ensure conformity of bookkeeping and tax returns to current legislation and the in-house rules of the Group and the individual Company.

The internal control systems comprise the set of tasks that the individual company departments perform on their processes in order to protect company assets, manage company business effectively and provide clear information on the assets, income and finances of the Company and all the activities intended to identify and contain company risks.

The relative company departments and the Supervisory Body are ensured free access to data, documentation and any information that is useful for auditing.

4.1.2 Money Laundering

The recipients, as part of the different dealings with the Company, must in no manner and in no circumstances be implicated in activities connected to laundering of money coming from illicit or criminal activities and undertake not to hinder the identification of the origin of the material and financial resources made available to the company.

Before establishing relationships and signing contracts with suppliers and other business partners, the Company and the employees and/or collaborators thereof must, within the limits of the accessible instruments, obtain information about the moral integrity of the other party.

The Company undertakes to comply with all national and international money laundering standards and provisions.

4.1.3 Outside communications

Any communication with the exterior of documents and information concerning the Salcef Group or other parties with which it has dealings must comply with the law, regulations, professional conduct rules in force and the principles of this code as described in §3.7. In all cases the following are forbidden:

- divulging possible “price sensitive” information acquired in the course of company activities;
- divulging untrue or biased news about the Companies or other parties with whom the Salcef Group has dealings in the course of its activities;
- any form of pressure aiming at obtaining a favourable stance from bodies providing the public with communication/information.

Using confidential information on the Company or on other parties whose staff or collaborators of the Company have come across in the course of their work may be a criminal offence.

The recipients of the Ethical and Conduct Code must comply with national and international standards governing insider trading and market abuses. Nobody is permitted therefore to gain or let others gain any kind of direct or indirect personal or financial advantage from the availability, use or communication of protected information protected in compliance with the said standards, where they are not in the public domain.

In order to ensure complete and consistent information, dealings of the Group with the mass media are restricted exclusively to authorized parties and in all cases in conformity to current provisions and in compliance with the principles of equality and simultaneous disclosure of information. It is absolutely forbidden to disclose false or misleading information regarding Companies of the Group.

4.1.4 Gifts, presents and benefits

No form of gratuity or favour is permitted that may be interpreted in any manner as exceeding normal commercial practice or courtesy or which is intended to acquire favourable treatment in each of the activities in any way that is linkable to the Salcef Group. This rule applies both to gratuities given or offered and to those received, a gift being any type of advantage, compensation, personal benefit or favour.

In all cases, the gratuities offered by the Companies - unless they are of modest value - must be:

- authorized by the head of department concerned, who shall inform the directors and the Supervisory Body beforehand;
- properly documented in such a manner as to permit the suitable or necessary checks;

employees and collaborators who are not employees of the Salcef Group are strictly forbidden to:

- offer presents or other benefits to any parties from whom they may acquire favoured treatment in running any activity that is traceable to the Group;
- bestow advantages of any type (promises of employment, use of company assets, etc) to representatives and employees of private companies or bodies who might provide any advantage for the Companies of the Group;
- provide services or grant favours of any kind to commercial partners and/or consultants that are not justified by the commercial relationship.

Employees and collaborators who are not employees of the Group cannot ask, for themselves or for others, or accept gifts or other advantages except those of moderate value or which are conformant to normal commercial practice or courtesy, from anyone who has received or could receive benefits from the company business. If, in the course of their duties, they receive, also during holidays, gifts or other advantages of more than modest value outside the circumstances permitted by current law, they must, in accordance with established procedures, promptly inform the directors and the Supervisory Body, who shall evaluate the appropriacy thereof, possibly compelling them to be returned, informing the sender of Salcef Group's policy in that regard.

Gratuities offered by or received from officials and/or representatives of public service providers are subject to specific provisions that are set out below in § 4.3.4.

For the purposes of this paragraph, gratuities or other benefits of modest value are those with a value that is not greater than €150, which reflect normal courtesy or commercial policies. This figure is the maximum amount that can be reached over a year.

4.1.5 *Conduct during hours of work*

It is the duty of employees and collaborators to apply themselves with commitment and diligence to the performance of the tasks assigned to them, in compliance with the law, including any health and safety regulations in force - and contractual provisions, all procedures and regulations in force in the Company and the instructions given by superiors.

It is the duty of each employee or collaborator to work in the exclusive interest of the Company, avoiding any situation of conflict that may cause harm or bring about situations of unfair advantage, also through relatives.

With particular attention to the international service of the Salcef Group, the recipients must respect the laws, customs, religions and places of worship of the country that hosts them and maintain cordial relations with the local environments and behave in private life in a manner that is proper and in keeping with the image and interests of the Company.

In order to specify what is set out in the ethical principles, all those working for the Company are forbidden from, for example:

- illegally downloading or transmitting to third parties content protected by copyright;
- introducing and/or keeping in the company documentation and/or electronic material that is confidential and belongs to third parties unless it has been acquired with their express consent;
- using, exploiting, disseminating or reproducing improperly for any reason in any form for purposes of gain or for personal ends, creative works of any kind that are protected by copyright.

Any illegal conduct and any type of abuse, threat or aggression to company staff or assets are strictly prohibited in the workplace.

In particular, the recipients are forbidden to perform work (or to be in the workplace) under the influence of alcohol or any other type of drug. Recipients are forbidden to possess/introduce/hand out alcoholic substances or drugs of any type in the workplace.

Employees or collaborators are forbidden to damage in any way or remove - deliberately or not - material, equipment and goods from the workplace, whether they belong to the Company or other parties, whether or not they be customers.

The IT instruments of the Companies of the Group must be used in full compliance with current laws and specific in-house regulations. By way of example, it is forbidden to access without authorization an IT or electronic system, hold or disseminate improperly codes for accessing IT or electronic systems, disseminate IT equipment, devices or programmes in order to damage or interrupt an IT or electronic system or install equipment in order to intercept, prevent or interrupt IT or electronic communications. It is also forbidden to override or attempt to override company security systems, leave one's own PC unattended and without password protection and to use instruments, information, data and IT and electronic systems that damage third parties.

4.1.6 Health and Safety at Work

The Salcef Group ensures work conditions that respect individual dignity and provide safe and healthy work environments, also by disseminating a safety culture and awareness of the risks, promoting responsible conduct by all parties concerned.

In this connection, each employee and collaborator is asked to contribute personally to maintaining the quality of the work environment.

The Companies undertake:

- a) to set up secure activities in order to protect the health of their employees (both at headquarters and on worksites) and of the community that surrounds its establishments, protecting their operating strategies in order to respect the Group's health, safety and environmental policy;
- b) review periodically the performance and efficiency of its systems to achieve the set health, safety and environmental objectives.

The Salcef Group will ensure that risk assessments are conducted and appropriate measures are taken to avoid health and safety risks. The Group further promotes processing and applying emergency plans for scrupulous management of possible residual risks. The Salcef Group lastly requires strict compliance with accident-prevention measures from third parties working in its facilities and ensures that those accessing its facilities are appropriately equipped to perform their tasks properly.

4.2 Internal relationships

The Salcef Group recognizes the central importance of human resources because it knows that the most important factor in the success of any company is guaranteed by the professional contribution of the people who operate there in a climate of loyalty and mutual trust.

The Group recognizes as essential principles of its company philosophy, in line with the international organization to which it belongs respect for work, the professional contribution and commitment of everyone, respect for different opinions, regardless of seniority and experience, and the force of ideas.

For this reason, the Salcef Group ensures equal opportunity at any level of the organization, according to criteria of merit and without any discrimination.

Employees and collaborators are on the other hand required to commit themselves and work loyally to provide the services required and meet the undertakings given to the Company.

Accordingly, the recipients must base their dealings with colleagues on the good manners and harmony necessary for smooth running of the Company.

The Salcef Group is also keenly aware that professionalism is an attribute that is acquired with practice and experience and specific training and recognizes the decisive role in this process of professionals, technicians and teams with more work experiences and fosters the transfer of their knowledge and professional attitude to younger staff.

The Salcef Group enhances professionalism, promotes individual aspirations, learning expectations, and the professional and personal growth of each individual.

When selecting and taking on staff, there is an obligation to:

- comply with the relevant Company procedures;
- comply with regulations on the employment of staff from outside the European Union and monitor the ongoing application of the regulations;
- make the selection process of the ideal candidates and hiring of staff traceable;
- if agency workers are used, ensure that the agencies use workers in compliance with residence permit regulations and request explicitly compliance with the Model and the Ethical and Conduct Code of Salcef Group);
- storing properly documentation on the staff of the Company.

4.2.1 *Discrimination and harassment*

The Salcef Group, in promoting the protection and promotion of the supreme value of the human person, does not tolerate any discriminatory conduct or any form of harassment and/or personal or sexual offence. The Group, in each of its Companies, thus undertakes to provide a work environment that excludes any type of discrimination and harassment with regard to race, gender, religious beliefs, nationality, age, sexual orientation, disability, language, political and trade union opinion and other personal characteristics that are not pertinent to work.

4.2.2 *Freedom of association and right to collective bargaining*

The Salcef Group respects the right of all staff to join trade unions and to engage in collective bargaining and has passed all the measures required to ensure compliance with standard SA 8000.

4.3 *Dealings with third parties*

Employees or collaborators who have dealings with outside bodies in the course of their work represent the Company and must therefore have an attitude and relationship that are appropriate to this role, avoiding improper conduct with regard to the customers or their representatives and any attitude that is liable to harm the Company.

The Salcef Group is particularly attentive to building up trust with all possible partners, i.e. individuals, groups or institutions whose support is necessary for performing its company mission, and with collaborators, customers, suppliers, business partners, public institutions, the market, political, trade union and social organizations whose interests may be directly or indirectly influenced by the activities of the Companies.

When performing its activities, the Group adheres to the principles of fairness and propriety, requiring that all those that work on its behalf on a long-term basis behave honestly, transparently and in compliance with the law in all their dealings and does not tolerate corruption and/or collusion or improper favouritism.

Dealings with third party counterparts can be established by due diligence of the counterpart within the methods and limitations set in company procedures, adjusting decision-making processes, checking amongst other things that there are no circumstances that may suggest that the counterpart is operating illegally in Italy or abroad in connection with organizations affiliated with or belonging to criminal groups or groups dedicated to terrorist activities.

In this case, no dealings must be established with parties who refuse or are reluctant to provide information in order to ascertain their correct, effective and complete knowledge or about whom suspicions exist because of their possible operation in uncooperative countries, or who ask or offer to provide services that are advantageous for the Company in principle but are irregular; or which can give rise to conduct in conflict with tax and accounting laws and regulations governing the circulation of capital and assets.

4.3.1 *Dealings with Private and Public Customers and Partners*

In line with the basic values that it embraces and being aware of the fact that each customer has different needs and expectations and that each one constitutes an opportunity for growth, the Salcef Group bases its dealings with all customers, both private or public, on strict compliance with current legislation and existing internal procedures and the principles of integrity, honesty, propriety, respect and mutual trust and professionalism, independence and fairness.

The Companies of the Group also ensure that staff in charge of negotiating and managing contracts with public authorities ascertain the truthfulness and correctness of the statements made to the public authorities, with particular reference to information on the possession of requisites, i.e. costs and financial data. Lastly, it is forbidden to provide services or grant favours of any kind to commercial partners and/or consultants that are not justified by the commercial relationship.

4.3.2 *Dealings with suppliers and subcontractors*

The Salcef Group manages dealings with suppliers fairly, properly and professionally, fostering continuous collaboration and solid durable relationships built on trust.

The selection of the suppliers and the determination of the conditions of purchase of goods and services are based on objective and impartial assessments based on quality, price and the guarantees supplied.

The Companies will follow the following principles in dealings with their suppliers:

- a) there is a dedicated Purchasing Department;
- b) the Companies do not approve of any kind of “exchange of favours” with the suppliers: the goods/service that the Company seeks are chosen and purchased only on the basis of their price and quality;
- c) any negotiation with a current or potential supplier must relate exclusively to the goods and services being negotiated with the supplier;
- d) staff assigned to purchasing goods and services must not be subjected to any type of pressure by the suppliers.

Undertakings to and dealings with current and potential suppliers must comply with the directives of the Companies regarding conflicts of interest and management of affairs.

It must be ensured, with suitable contractual clauses, that possible third parties with whom the Company works (suppliers, consultants, etc), within the methods and limitations established in the company procedures regulating decision-making processes, use workers who have valid residency permits, and compliance with the Model and Ethical and Conduct Code of the Salcef Group is specifically required as is

compliance with the basic principles contained in standard SA8000 on the social accountability of businesses.

It is forbidden to pay money or remuneration or commission to their suppliers, consultants or outside collaborators that are not appropriately justified in the context of the established relationship or which are not proportionate to the work done, also in consideration of market conditions, the type of appointment and the established practice in the local environment.

4.3.3 *Dealings with Public Institutions*

Dealings with public, national, EU and/or international institutions, and with public sector officials or public service providers, must comply strictly with current legislation; these dealings are restricted exclusively to parties authorized to do so on the basis of their current job descriptions, proxies or powers of powers of attorney given by each Company Director.

The Group undertakes to maintain a highly cooperative attitude based on transparency and propriety in dealings with the above parties.

Each Company of the Group orders its employees to provide full availability and collaboration to all those conducting inspections and checks on behalf of INPS (Italian National Institute for Social Security), the Ministry of Health and Social Policies, the Ministry of Economics and Finance and any other public body.

It is forbidden to destroy or alter records, minutes, bookkeeping records and any type of document, lie or issue false statements to the competent authorities.

Nobody must attempt to persuade others to provide false or misleading information to authorities, in particular by impacting in any form and by any means the freedom of choice of parties who for any reason have to make declarations to the legal authorities.

4.3.4 *Dealings with Public Authorities*

Dealings with officials of public bodies and with public and/or private parties that provide public services (known generally hereinafter as public authorities) and in each case any dealings with the media must comply strictly with the applicable law, the principles of transparency, honesty and propriety and must not in any way compromise the integrity and reputation of the Salcef Group.

Specific company departments are exclusively responsible for dealings with public authorities or with the media.

In dealings with public authorities, not only is any corrupt practice obviously forbidden, but the Companies of the Salcef Group must not, not even through third parties, improperly influence the decisions of the authorities concerned, in particular the officials who deal with or decide about the Companies of the Salcef Group.

During a negotiation or business dealings, also commercial dealings, with public authorities, in Italy or in other countries, the Company refrains from conduct that violates the above principles, which includes by way of non-limiting example:

- offering money or other favours or granting work opportunities and/or commercial advantages to officials of public authorities involved in the negotiation or dealings, or to members of their family;
- offering or receiving gifts or other favours unless they are acts of commercial courtesy and of insignificant value;
- supplying untrue information where requested by the public authority.

In dealings with public authorities, inside and outside Italy, representatives and/or employees of the Group are forbidden to pay or offer, directly or via third parties sums of money or other advantages of any kind or amount to public officials, government representatives, public employees to remunerate or repay them for an act performed as part of their official duties or to perform or delay an act in a manner that is contrary to their official duties.

4.3.5 *Dealings with the Independent Administrative Authorities*

The Salcef Group undertakes to comply scrupulously with the rules set out by the Independent Administrative Authorities (e.g. Antitrust Authority, Personal Data Protection Guarantor etc) to ensure compliance with current legislation in the sectors connected to its business.

The recipients undertake to comply with any request made by the Independent Administrative Authorities by virtue of their functions and to collaborate fully with investigations.

In order to ensure maximum transparency, the Group undertakes to avoid situations of conflict of interest with officials/employees of Independent Administrative Authorities or their relatives.

4.3.6 *Dealings with Political, Trade Union and Social Organizations*

The Company contributes to the economic wellbeing and to the growth of the community in which it operates. For this purpose, the Group ensures that its business respects local and national communities and promotes dialogue with trade unions or associations of other types.

The Companies base their dealings with political parties or their representatives or candidates on the strictest compliance with current regulations and Company directives.

The Salcef Group promotes and supports social, sporting, humanitarian and cultural initiatives, possibly also through grants to foundations, institutions, organizations or bodies dedicated to social and cultural activities and more in general aiming at improving living conditions and spreading a culture of peace and solidarity. These grants must be made in compliance with current legislation and be correctly and appropriately documented.

The Companies do not promote or have any kind of dealings with organizations, associations or movements that directly or indirectly pursue illicit aims or aims that are forbidden by law, including organizations dedicated to propaganda and inciting to crime for reasons of racial, ethnic and religious discrimination.

4.3.7 *Dealings with other parties*

Dealings of the Group with private bodies such as non-profit organizations and other non-profit bodies, must comply strictly with the applicable legal provisions and must not in any way compromise the integrity and reputation of the Salcef Group.

Taking on commitments and managing dealings of any type with private bodies are restricted exclusively to company departments assigned to this and to staff authorized according to the system of delegation, job descriptions and company procedures.

In dealings with other economic players, including competitors, the recipients of this Code refrain from any act intended to:

- implement violent or intimidating behaviours or affect the commercial, industrial or productive activities of third parties in order to hinder/eliminate competition;
- implement collusion agreements with other businesses, in order to win tenders at the expense of other competitors or discourage the competitors from putting in competitive bids;
- committing violent acts against the property of third parties (e.g. damaging or transforming assets of third parties/competitors);
- committing fraudulent acts in order to deceive the customers of others and to damage competitor companies;
- commit acts of unfair competition.

5 Infringements and sanctions

Compliance with the provisions of this Ethical Code must be considered to be an essential part of the contractual obligations of the employees pursuant to and in accordance with article 2104 of the Italian Civil Code. Any infringement of the provisions of the Ethical Code may constitute breach of contract and/or misconduct subject to the disciplinary procedures specified in article 7 of the Workers' Statute, applicable collective bargaining and *Regulation 306 – Disciplinary Code* applied by the Company, with all legal consequences, also with regard to the maintenance of the employment contract and may result in claims for compensation for harm suffered by the Company.

Compliance with the principles of this Ethical Code is part of the contractual obligations taken on by the directors, by the legal representatives, by the officers of the company, by the collaborators, by the consultants and by the other parties in dealings with the Companies. Accordingly, possible infringement of the provisions thereof may constitute breach of contract with all legal consequences regarding termination of the contract or of the conferred appointment or compensation for resulting harm.

Accordingly, in the event of noncompliance with the provisions governing the employment contract, the Company may take the disciplinary measures specified by current law and contractual and company provisions. In all cases such measures are without prejudice to claims for greater harm that the Company might suffer through the employee's noncompliance with the aforesaid standards.

The main documents that govern the conduct in the Group and in the individual Company, namely: this Ethical and Conduct Code, the Work Regulations, (*Regulation 305 – Work Regulations*) and the Disciplinary Code (*Regulation 306 – Disciplinary Code*) are published by the Company via the information channels.

Copy of the aforesaid company documents are available in the Company Management System.

All recipients who come into contact with presumed infringements of this Ethical Code or conduct that is not conformant to the Company's rules of conduct must immediately inform the management of his or her Company, who will alert the competent department and/or assure the information flows to the Supervisory Body set up in accordance with Italian legislative decree D.lgs. 231/01.

If the presumed infringement that is the subject of the report arises from instructions given by company managers that violate the principles of the Organizational and Management Model adopted in accordance with Italian legislative decree 231/01, the report must be sent directly to the Supervisory Body.

The additional information must also be sent resulting from infringement of the provisions of Italian legislative decree D.lgs. 231/2001 (e.g. measures of the Criminal Investigation Department, requests for legal assistance forwarded by senior executives and/or by employees in the case of legal proceedings, etc).

The methods of transmitting the reports to the Supervisory Body and the method of analyzing and investigating the reports are set out in the Organization and Management Models adopted by the Companies of the Salcef Group and in suitable procedures.

The Group will not tolerate direct or indirect retaliation against, discrimination against and penalization of whistle blowers for reasons linked directly or indirectly to reports made in good faith, without prejudice to legal obligations the protection of the rights of those who have been accused erroneously and/or in bad faith. Disciplinary measures can be taken against those who infringe the measures protecting whistle

blowers and those who send the Supervisory Body reports that are unfounded for the sole purpose of harming the reported person.