

# **CODE OF ETHICS**

**Exergy International Srl**

**1<sup>st</sup> Edition – 19 November 2019**

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## 1. FOREWORD

Exergy International Srl (hereinafter, the Company) works in the power industry and designs, engineers, produces and maintains Organic Rankine Cycle (ORC) systems for electricity production from renewable energy (geothermal, biomass, solar) and waste heat resources from industrial processes, gas turbines and engines.

The Company has always been recognised for its seriousness and reliability and for the professional approach of its managers, to whom the Owners have constantly entrusted the responsibility for managing and developing the Company's business, in accordance with the Company's strategic policy.

The Company firmly believes in the value of work and considers legality, fairness and transparency in conduct to be essential conditions for achievement of its economic, production and social objectives.

The value and importance of the Code of Ethics have been heightened by the provision of specific liability of entities in the event of the perpetration of crimes and administrative offences.

## 2. ADDRESSEES

Compliance with the principles and conduct guidelines set forth in this Code must be a priority for all Employees, Directors, Statutory Auditors, Agents, Distributors, Partners, Consultants, Suppliers, Collaborators and all those who operate, both in Italy and abroad, in the name and on behalf of the Company (the "Addressees").

Observance of the provisions of the Code of Ethics forms an integral part of the contractual obligations of Employees. Breach of said code by the Addressees constitutes, as the case may be, a disciplinary offence (for which sanction may be imposed pursuant to applicable rules) and/or contractual default and could lead to compensation of loss/damage that may have been caused to the Company by said breach.

## 3. COMPLIANCE WITH LAWS AND REGULATIONS

The Company operates in a multinational context and, for this reason, it obliges the Addressees to comply with the prevailing law and regulations in all countries where it does business.

Company must refer to the principles herein in case the provisions under the Code of Ethics are more stringent than the local regulations and not in contrast with them.

The Addressees must carry out their activities in a context of maximum transparency and in full compliance with the laws and regulations in force in the place and at the time in which they are operating.

Each Employee undertakes to gain as much knowledge as possible of the applicable regulations governing his activity and of the liability arising from their breach.

## 4. PROTECTION OF COMPANY RIGHTS AND RESOURCES

Each corporate Function must endeavour to be fully informed, for its sector of responsibility, of the rights to which the Company is entitled pursuant to laws, contracts or relations with Public Administration and must not engage in conduct that may in any way damage its interests:

For this purpose, each Employee is responsible for the safe-keeping, preservation and protection of the Company assets and resources with which he is entrusted as part of his activities and must use them in a proper way and in the company's interest, preventing any improper use.

Each situation that may even potentially be considered detrimental to the rights and interests of the Company must be promptly reported to the Managing Director and, by the latter, to the Board of Directors, so that it may take the necessary protective measures with similar promptness.

## 5. HUMAN RESOURCES

### 5.1. Professional enhancement and selection.

All Employees must be treated in strict compliance with the principles and values set forth in this section, in a climate which encourages communication and cooperation between employees and with their superiors, fairness and mutual respect.

The Company pursues a policy based on recognition of merits and respect of equal opportunities and makes no discrimination on the basis of gender, racial and ethnic origin, nationality, age, political opinions, religious beliefs, state of health, sexual orientation or economic-social conditions.

The Employees' dedication and professionalism are decisive elements for achievement of Company objectives. For this reason, the Company strives to develop the skills, expertise and talent of each Employee following a policy based on merits and equal opportunities.

The selection, pay-grading and career path of corporate employees are exclusively based, without any form of discrimination, on objective considerations concerning the professional and personal characteristics required for executing the work to be performed and the skills shown in carrying it out.

The employment relationship is executed in compliance with the sector collective contractual legislation and with legislation on social security, tax and insurance.

All personnel are hired by the Company with a regular employment contract. No form of irregular or child labour or exploitation of workers is tolerated.

### 5.2. Professional training

The Company contributes to the professional training and development of its Employees, periodically offering them opportunities to exchange knowledge and information on their work experiences, as well as other training activities, in order to promote their growth and allow them to develop their professional skills within the Company.

Each Employee must strive to create a working environment that is stimulating and gratifying and that therefore encourages development of each person's potential.

Any form of retaliation against Addressees who refuse to implement unlawful conduct or who complain about or report such conduct, is forbidden. In developing human resources, the Company endeavours to create and maintain the necessary conditions to allow the skills, expertise and know-how of each Employee to be further expanded, in order to ensure efficient achievement of corporate objectives.

The Company does not tolerate forms of influence that could in any way affect statements to be provided to the Judicial Authorities.

### 5.3. Remuneration

Without prejudice to compliance with mandatory regulations, the remuneration system, at any level, both with regard to the cash portion and to the portion consisting in benefits, must be based on the principle according to which remuneration is determined solely on the basis of assessments concerning the training, specific professional skills, experience gained, merit proven and achievement of set targets.

It is forbidden to even propose increases in remuneration, other advantages or career progression in return for carrying out activities that are contrary to the law, this Code and internal rules and regulations, even as regards competence.

## 6. BUSINESS ETHICS

### 6.1. General Principles

Addressees of this Code must acknowledge and respect personal dignity, privacy and rights of personal status of all persons.

No discrimination whatsoever is allowed when doing business.

In choosing consultants, agents, suppliers, distributors, collaborators and Partners of various kinds, the Addressees must specifically check their reliability and integrity, also with regard to compliance with the principles contained in this Code of Ethics.

All contracts into which the Addressees may enter, in the name and on behalf of the Company, with other private or public entities, must be established and managed in compliance with the values of fairness, transparency, integrity and good faith.

### **6.2. Efficacy, efficiency and cost-effectiveness**

The Company runs its business based on efficacy, efficiency and cost-effectiveness criteria, with optimised exploitation of available resources and waste elimination.

Every Addressee must diligently acquire the required knowledge of statutory and regulatory provisions applicable to their own functions, in force from time to time: no conduct in contrast with the above-stated principles will be tolerated nor can ignorance of the same can be justified in any way.

### **6.3. Contrasting corruption**

The Company deems the ability to do business with honesty, integrity, fairness and transparency, in compliance with international practice, regulations and law fundamental for its activities.

Since Company operations also develop abroad, the "Addressees" must strictly respect the national and international regulations against corruption, both at public and private level.

The Company agreed to the regulations deriving from the OECD Convention "On Combating Bribery of Foreign Public Officials in International Business Transactions" as well as to Italian Law no. 190 of 6 November 2012, so-called "Anti-bribery law" aimed at preventing and sanctioning any corruption events committed on the Italian territory. In no way can the belief to act in the interest or to the advantage of the Company justify a breach of the regulations and provisions concerning the Anti-bribery law.

It is prohibited to pay or offer, directly or indirectly, gifts, money, material benefits and other advantages or benefits of any kind to third parties, public officers (including foreign public officers), in charge of public service or local authorities, civil servants or private persons, for influencing their actions when in office, even if these are considered normal practice or tolerated misconduct.

The prohibited conduct includes offering or receiving, by/from the staff of the Company or anyone acting on its behalf, an economic advantage or other benefit in relation to business activities. Acts of courtesy are only permitted if required by local law, in any case they must be of modest value or such as not to compromise the integrity or reputation of either party, and not to be interpreted as aimed at obtaining undue advantages.

### **6.4. Conflict of interest**

All Addressees of this Code of Ethics must avoid any situation apt to create a conflict with Company's interest. Any information acquired when carrying out the assigned tasks must remain strictly confidential and cannot be disclosed unless in compliance with the prevailing regulations.

The following situations are mentioned by way of example of a conflict of interest:

- the use of one's position in the Company, or of information acquired in the course of one's job, to create a conflict between one's personal interests and those of the business, resulting in a personal economic benefit;
- acceptance of money, favours or benefits from persons and/or legal entities that intend to conclude economic agreements with the Company;
- activities that could interfere with one's ability to make impartial decisions, to safeguard the best interest of the Company. This also includes cases in which the holder of the interest in conflict is not directly the administrator, but a spouse, a relative or a direct cognate;
- profit-sharing (overt or covert) in activities of suppliers or competitors.

### **6.5. Donations, benefits or other advantages and sponsorships**

Modest value gifts in connection with normal courtesy relations are allowed.

Nevertheless, said gifts must be such as they cannot be interpreted – by the other party or by an independent third party – as having been given/received in order to obtain/grant undue benefits, or such as to create an impression of unlawfulness or immorality. In any case, such donations must always be appropriately documented.

The Addressees are in any case forbidden to solicit the offer or grant or accept or receive any kind of gifts/benefits, even if they have a modest value.

If an Employee receives gifts and favourable treatment not directly attributable to common courtesy, he must inform the Supervisory Body or – if not appointed – the Head of Function who shall inform the Managing Director.

Any Addressee who enters into contracts with third parties, within the scope of his duties, must pay attention and ensure that said contracts do not provide for or imply any gifts/benefits in violation of this Code of Ethics.

The Company may provide contributions and sponsorships to support initiatives proposed by public and private entities and non-profit associations, regularly established pursuant to law.

Sponsorships and contributions may concern events and initiatives of a social, cultural or artistic nature. They may also be used for conducting studies, research, holding conventions and seminars concerning topics of interest to the Company.

#### **6.6. Relations with Public Administration**

Relations with Public Administration are maintained by the Managers expressly authorised by the Board of Directors or by the Board Member delegated or by the persons delegated by the latter, in compliance with the provisions of this Code.

For example, it is forbidden to engage in any of the following conducts, either in Italy or abroad:

- Promise, offer or in any way pay or provide sums, assets in kind or other benefits (unless they are gifts or benefits of modest value and consistent with normal business practices), even following unlawful pressure, for personal use, to public officers or to private actors, when they are responsible for a public service, with the aim of promoting or favouring Company interests. The aforesaid provisions cannot be evaded by using various forms of aid or contributions, such as, appointments, consultation, advertising, sponsorships, employment opportunities, business opportunities or any other type of opportunity, etc.;
- Engage in such behaviour with regard to the spouses and relatives by blood or marriage of the persons referred to above;
- Engage in behaviour intended to unduly influence the decisions of the officers dealing with or making decisions on behalf of the Public Administration;
- Provide or promise to provide, solicit or obtain information and/or documents that are confidential or such as to compromise the integrity or reputation of one or both of the parties in breach of the principles of transparency and professional fairness;
- Have the Company represented by a consultant or by a “third” party when conflicts of interest may be created; in any case these persons and their personnel are subject to the same provisions that bind the Addressees.

The conduct described is forbidden during business negotiations, requests or relations with the Public Administration and also upon their conclusion, if engaged in with regard to officers who dealt with or made decisions on behalf of the Public Administration.

The Addressees must make sure that statements or testimonies provided to public officers are accurate and truthful.

The Managing Director must be immediately informed of any legal action, as well as of any communication or warning received from Public Authorities.

In choosing independent third parties as Agents, Distributors, Partners, Suppliers, Consultants, Collaborators and all those who operate both in Italy and abroad, in the name and on behalf of the Company, the Company

must check their reliability and integrity, also with regard to compliance with the principles contained in this Code of Ethics.

#### **6.7. Relations with suppliers – consultants – partners**

The selection of suppliers of goods or services and the purchase of goods and services of any kind is performed by specially delegated functions, on the basis of objective and traceable criteria based on professionalism, quality, efficiency and cost-effectiveness.

In relations with suppliers, the Company is guided by principles of transparency, equality, fairness and free competition.

Specifically, in these relations the Addressees are obliged to:

- Operate within the law and legislation in force and observe any internal rules and/or practices for selection and management of relations with suppliers;
- Establish efficient, transparent and collaborative relations, maintaining an open and direct dialogue in keeping with the best business practices;
- Obtain the suppliers' cooperation in constantly ensuring the most advantageous relationship between quality, cost and delivery times;
- Demand application of the contractually established conditions;
- Request suppliers to abide by the principles of this Code of Ethics and include a special provision in contracts.

In the case of supply of goods, the Company checks that the goods received match the goods actually ordered as far as possible.

External consultants are selected by specially delegated functions. For this purpose, the Addressees must observe the internal rules governing selection and management of relations with external consultants. The fees of the external consultants must be strictly commensurate with the service indicated in the contract.

In developing relations with other Partners through the establishment of new companies and/or the signing of joint venture and similar contracts, the Addressees must ensure observance of the principles of this Code of Ethics, identifying as potential partners persons or entities with a respectable reputation, that engage only in lawful activities and that are guided by ethical principles similar to those set forth in this Code.

#### **6.8. Relations with customers**

The Company's success is essentially based on its capacity to satisfy its customers' needs and to maintain the highest levels of quality, performance and reliability.

The Addressees must contribute to these policies by identifying the customers' needs and seeking to accommodate their expectations, using the Company resources and synergies to the best advantage.

In relations with customers, the Company is guided by principles of transparency, equality, fairness and free competition. The Company ensures correctness and clarity in business negotiations and in contractual obligations, as well as the diligent performance of contracts.

Specifically, in relations with customers all the Addressees are obliged to:

- Operate within the law and legislation in force and observe any internal rules and/or practices for selection and management of relations with customers;
- Refrain from arbitrary discrimination of customers, and from seeking to unduly exploit positions of strength with regard to customers;
- Respect the obligations undertaken towards customers;
- Provide accurate, complete and truthful information.

Any complaints shall be treated as swiftly and as carefully as possible.

In establishing new business relations and in the management of existing ones, the Addressees must avoid to maintain relations with anyone involved in illegal activities or otherwise not having the necessary ethical

and commercial reliability requirements. Addressees must use their best efforts to constantly check and monitor this reliability. Legal actions must be brought and settlements and waivers must be decided with the favourable opinion of the Managing Director, in accordance with internal rules that may be adopted at the time and with internal practices. In any case, disputes must always be dealt with in such a way as to avoid situations in which the persons involved in the settlements may find themselves affected by a conflict of interest.

#### **6.9. Relations with political organisations and trade unions**

Relationships with political parties, trade union organisations and other stakeholders are maintained pursuant to the prevailing rules of this Code, with special focus on impartiality and independence principles. Participation in representation of the Company and payment, in its name, of any contributions to associations of any kind must be duly authorised by the Board of Directors in compliance with internal rules and/or practices in force at the time and may only be permitted with regard to organisations whose purposes and objectives are consistent with the Company's economic, industrial, ethical and behavioural values.

#### **6.10. Relations with the media**

Information concerning the Company and addressed to the mass media may only be disclosed by specially delegated corporate functions, in compliance with domestic laws in force at the time for individual matters. If requested to provide information or give interviews, the Addressees must report the request to the specially delegated corporate function and receive special prior authorisation.

In any case, external communication of data or information must be truthful, transparent and complete, so as to provide a consistent view of the Company's image and the strategies it adopts, encouraging approval of corporate policies.

#### **6.11. Combating organised crime and terrorism**

The Company abstains from having any form of relationship, including those of an indirect nature or through a third party, with persons (natural or legal persons) that are known or suspected to be part of or to perform any form of support activity for any kind of criminal organisation, including mafia-type organisations and those involved in the trafficking in human beings or the exploitation of child labour, smuggling of foreign tobacco products or illicit trafficking in narcotic drugs or psychotropic substances as well as persons or companies who carry out terrorist actions, meaning conduct that can cause serious damage to a country or to an international organisation, carried out in order to intimidate the population or force public authorities or an international organisation to perform or to abstain from performing any action or to destabilise or destroy the fundamental political, constitutional, economic and social structures of a country or of an international organisation.

Addressees who, in the performance of their tasks, become aware of acts or conduct that may constitute illegal activity of any kind connected to the crimes of organised crime and terrorism above (and, in particular, the smuggling of foreign tobacco products) should immediately notify the Supervisory Body, if appointed, or the Managing Director.

#### **6.12. Protection of trademarks, patents, know-how**

The Company strictly forbids any conduct aimed at the alteration, counterfeiting, abusive use of national and foreign trademarks or distinctive signs and designs and models.

It also denounces any conduct aimed at introducing to the territory of the Italian State or of other states in which it operates industrial products with trademarks or other distinctive signs that have been altered or counterfeited, and the marketing of products with trademarks and distinctive signs that give misleading indications on the origin, source or quality of the product.

Similarly, the Company does not tolerate the manufacture, marketing, dissemination or simple use of items and goods made by usurping or breaching industrial property rights.

The protection of know-how is considered of primary importance and therefore any abusive dissemination, reproduction, use, sale, for any purpose, for any use and with any means is strictly forbidden.

## 7. COMPETITION

The Company believes in free and fair competition and directs its actions towards obtaining competitive results that recompense expertise, experience and efficiency.

Any action that attempts to alter the conditions of fair competition is contrary to the Company's corporate policy and is forbidden to anyone acting on the Company's behalf.

Under no circumstances may pursuit of the Company's interest justify conduct on the part of top managers or collaborators that does not observe local and international laws in force and comply with the rules of this Code.

In all external communications, information concerning the Company and its activities must be true, clear and verifiable.

## 8. ACCOUNTING DATA

### 8.1. General principles

All Addressees must ensure the utmost transparency, accuracy and truthfulness of the information produced within the frame of their activities, each one for the part within its province and responsibility. In particular, every Addressee taking part in calculating and preparing the data for financial statements, business reports as well as all corporate communications must comply with said principles and diligently ensure that information is correct.

All accounting statements on which financial statements are based, must be drafted in a clear, truthful and fair manner and must be carefully stored at the offices in charge of their drafting. Statutory financial statements must be drafted in a clear manner, pursuant to prevailing law, and must fairly and truthfully represent the assets and financial situation of the Company as well as the profit or loss for the period.

### 8.2. Financial resources

The Company will ensure that each and every operation and transaction is duly recorded, authorised, verified, legitimate, consistent and coherent to guarantee that all transactions are duly recorded, traceable and that the relevant decision-making, authorisation and implementation processes can be verified.

The procurement and disbursement of financial resources and their administration and control must also comply with local and international legislation, as well as with the internal rules and/or practices concerning approval and authorisation provided for the Company.

### 8.3. Bookkeeping

Each accounting entry must accurately reflect the event described in the supporting documentation, which must be complete and verifiable.

Bookkeeping is based on generally accepted accounting principles and systematically records the events arising from management of the Company. For each accounting entry reflecting a corporate transaction, suitable supporting documentation must be retained by the administration division.

In support of each operation, adequate documentation must be kept, which will ensure convenient accounting entry, traceability of the operation and identification of any responsibility.

This documentation must allow identification of the reason for the transaction which generated the entry and its authorisation. The supporting documentation must be easy to trace and must be filed according to suitable criteria that allow easy consultation by both internal and external entities entrusted with control.

The Addressees are obliged to contribute to accurate and timely recording in the accounts of all management activities and to ensure that accounting events are represented in an accurate and timely way, so that the administrative-accounting system can achieve its purposes.

The Addressees are obliged to promptly report to the Head of Function and, the latter to the competent Managing Director, the existence of omissions, forgery or inaccuracies in the accounting records, the statements made for tax purposes or instruments related to these.

#### 8.4. Relations with Statutory Auditors

The Company's relations with the Statutory Auditors are characterised by utmost diligence, professionalism, transparency, co-operation, willingness and full respect of their institutional role, with precise and prompt execution of the provisions and obligations required.

Data and documents are provided in a precise manner and using clear, objective and comprehensive language in order to provide accurate, complete, faithful and truthful information, avoiding and if necessary, reporting, in the most appropriate form and manner, any conflicts of interest.

#### 8.5. Anti-Money Laundering

The Company carries on its business in full compliance with prevailing anti-money laundering laws and with the provisions issued by the competent authorities, also pledging to refuse to implement transactions that appear suspicious in terms of correctness and transparency.

Specific attention must be devoted to relations involving receipt or transfer of sums of money or other benefits. In order to prevent the risk of performing, even involuntarily or unconsciously, transactions of any kind concerning money, goods or other benefits gained through the perpetration of offences, the Company abstains from receiving for any reason payments in cash, bearer securities or payments through unauthorised intermediaries or third parties that prevent identification of the disbursing person, or from having relations with persons established or operating in states that do not guarantee corporate transparency and, more in general, from carrying out transactions that prevent the traceability of financial flows.

The Addressees are obliged to promptly report to the Supervisory Body – if appointed – or to the Managing Director any relations with third parties that are not in line with the provisions of this paragraph.

The Addressees are therefore obliged:

- To first check the information available on commercial counterparties, Suppliers, Partners, Agents, Distributors, Collaborators and Consultants, in order to ascertain their respectability and the legitimacy of their activity before establishing business relations with them;
- To avoid any involvement in transactions that could, even potentially, facilitate the laundering of money arising from unlawful or criminal activities, acting in full compliance with primary and secondary anti-money laundering laws and internal rules and/or practices on control;
- Not to make payments to persons other than the contractual counterparty or to a state other than that of the parties and/or of execution of the contract.

### 9. CORPORATE ASSETS

It is not permitted for Employees to use corporate assets, excepting those expressly assigned as benefits by the Company, for their personal use or interest.

Under no circumstance is it permitted to use corporate assets and especially computer and network resources for personal purposes and for purposes that are contrary to mandatory provisions of the law, public order or morality, or to commit or to incite commission of offences or racial intolerance, instigation to violence or breach of human rights.

No Addressee is permitted to make recordings or audio-visual, electronic, paper or photographic reproductions of corporate documents, unless these activities are part of the ordinary performance of functions assigned.

#### 9.1. Computer crimes

The Addressees are personally responsible for the security of computers and must prevent fraudulent or improper use and must not transfer their access privileges, not even to colleagues. The Addressees must also abide by the provisions set forth in the internal rules issued on the matter of computer security, including those established by the Security Policy Document drawn up by the Company.

Assets must be used exclusively for performance of corporate activities or for the purposes authorised by the heads of the corporate functions concerned. It is strictly forbidden to use corporate computers to view, access and in general to perform any activity that concerns child pornography websites.

It is strictly forbidden to engage in conduct that may in any way damage, alter, deteriorate or destroy computer or electronic systems and computer programmes and data of the Company or of third parties.

## **10. CONFIDENTIAL INFORMATION**

It is strictly forbidden to disclose to third parties information that is not public knowledge on projects, acquisitions, mergers, business strategies, industrial processes, know-how, trade secrets and, more in general, information concerning the Company that has been acquired or to advise third parties, on the basis of said information, to execute any type of transaction on the financial markets.

It is forbidden to purchase, sell or carry out other financial and commercial transactions, including through third parties, in order to gain an advantage when these are based on or encouraged by the possession of confidential information and of information that the Addressees have come to acquire through exercising their function within the Company.

Furthermore, the Addressees must not disclose to parties outside the Company any kind of information concerning the Company that is not public knowledge or of which dissemination may damage the Company's interests.

## **11. RESPECT FOR PRIVACY**

The Addressees must handle personal data in strict respect for privacy, in accordance with any instructions issued to them by the competent corporate representatives.

The personal data processed by appointed Addressees only, must be: Processed following lawful and proper standards; Collected and recorded for specific, explicit and legitimate purposes and used in other processing operations in ways that are not incompatible with said purposes; Accurate and updated; Pertinent, complete and not superfluous with regard to the purposes for which it was collected and processed; Preserved in such a way as to allow identification of the data subject for no longer than necessary for the purposes for which it was collected and processed.

The appointed Addressees must take all the appropriate measures to avoid risks of destruction or loss, even accidental, of the aforesaid personal data, of unauthorised access to data, of processing that is not permitted or compliant with the purposes for which it was collected, as identified and periodically updated by the Company.

## **12. INDUSTRIAL SAFETY AND ENVIRONMENT**

### **12.1. Industrial safety**

The Company strives to maintain the highest standards of hygiene and safety and to guarantee all the necessary measures to prevent industrial accidents and illnesses.

All Employees must contribute to keeping their working environment safe and healthy.

Decisions concerning industrial health and safety, of any kind and level, are based on the following fundamental principles and criteria for prevention:

- Avoiding risks;
- Evaluating risks which cannot be avoided;
- Reducing to a minimum risk in relation to skills acquired on the basis of technical progress;
- Combating risks at source;
- Observing ergonomic principles in organising work and adapting work to the individual especially as regards the design of work places, the choice of work equipment and the definition of working and

production methods, with a view, in particular, to alleviating monotonous work and repetitive work and to reducing their effect on health;

- Adapting to technical progress and upgrade machines, equipment as well as any other device in use;
- Substituting the dangerous by the non-dangerous or the less dangerous;
- Providing workers with personal preventive and protective devices that are appropriate to the risks to be prevented, to the working conditions, and to the worker's requirements and needs;
- Developing a coherent overall prevention policy which covers technology, organisation of work, working conditions, social relationships and the influence of factors related to the working environment;
- Giving collective protective measures priority over personal protective measures;
- Giving appropriate instructions to workers;
- Guaranteeing workers' health surveillance;
- Participating in consultations and periodic meetings on protection of industrial health and safety;
- Providing adequate and sufficient information and training to workers and managers. Specific training must be provided when the employment relationship is established or when use begins in the case of temporary placement; at the time of transfer or change of duties, introduction of new working equipment or new technologies or new hazardous substances or products. Training shall be provided by experts and at the work place. Training of workers and their representatives must be periodically repeated with regard to the evolution of risks and the appearance of new risks.
- The training contents must be easy for the workers to understand and must allow them to acquire the necessary skills and experience in industrial health and safety matters;
- Developing suitable measures to guarantee ongoing improvement of safety levels, also by adopting best practices;
- Providing for emergency measures to be implemented when it is necessary to provide first aid, to fight fire, to evacuate workers and in the event of serious and immediate danger;
- Using warning and safety signals.

Each activity carried out by the Company and by individual persons – whether at senior management levels, when decisions must be made, or at operating levels when they must be implemented – must be based on observance of these principles.

Furthermore, the workers are obliged to:

- Ensure correct use of systems and machinery, personal protective equipment and safety devices;
- Report any working situation that involves a serious and immediate danger, as well as any defect in the protection systems;
- Contribute to fulfilling health protection requirements in order to allow the employer to guarantee that the working environment and conditions are safe and risk-free;
- Contribute, together with the employer, senior management and persons in charge, to fulfilling obligations established to protect industrial health and safety.

The Company ensures contractors are provided with information on the specific risks existing in the work environment and works with them to implement measures to prevent and protect against risks involved in the contracted activities.

## 12.2. Environment

The Company considers respect for the environment to be a fundamental value and therefore undertakes to operate in observance of applicable legislation, applying the best technologies available.

The Company manages its activities with respect for the environment and for public health. Its investment and business choices are based on environmental sustainability and it strives to achieve environment-friendly

growth also by adopting specific production technologies and methods which – if sustainable in economic and operating terms – allow it to reduce the environmental impact of its activities.

The principles and basic principles of prevention, under which decisions are made, of all types and at all levels, in the field of environmental protection, are as follows:

- Combating risks at the source;
- Minimising risks in relation to knowledge in the light of technical progress;
- Adapting to technical progress;
- Providing adequate and sufficient information and training to workers;
- Programming the measures considered necessary to ensure the improvement of the level of environmental protection over time;
- Adapting maintenance of equipment and facilities in order to eliminate or reduce pollution.

To this end, the Company undertake to:

- Adopt appropriate environmental management systems to ensure the prevention of environmental risks;
- Define specific objectives and improvement programs aimed at minimising significant environmental impacts;
- Provide institutions with the full information needed to understand any environmental risks associated to the business;
- Develop, where necessary, specific contingency plans.

The Company also encourages its Collaborators, Suppliers and Partners to commit to the environment protection principles herein and urges, if necessary, the adoption of suitable prevention actions so as to be consistent with the company environmental policy.

### **13. SUPERVISORY BODY**

The duty of supervising the functioning and observance of this Code is entrusted to the Supervisory Body (also “SB”), if appointed pursuant to Italian legislation, or to the board of statutory auditors, if existing, or to the person responsible for control of the Company.

Without prejudice to compliance with each form of protection provided by legislation or by collective agreements in force and without prejudice to legal obligations, the Supervisory Body, if appointed pursuant to Italian legislation, or the board of statutory auditors, if existing, or the person responsible for control of the Company has the authority to receive requests for clarification, as well as reports of potential or actual breaches of this Code.

The SB, if appointed pursuant to Italian legislation, or the board of statutory auditors, if existing, or the person responsible for control of the Company is obliged to maintain the strictest reserve and to operate with impartiality, authority, continuity, professionalism and autonomy, with wide discretion of judgement and with the full support of the top management of the Company, with which it collaborates in full independence.

In order to guarantee the effectiveness of this Code, the Company sets up information channels which can be used by all those who become aware of unlawful conduct implemented within Company to report freely, directly and in full confidentiality, to the Supervisory Body, if appointed pursuant to Italian legislation, or to the board of statutory auditors, if existing, or to the person responsible for control of the Company.

Each Addressee of this Code is obliged to report, without delay, any conduct that does not comply with the principles of the Code of Ethics implemented by any Addressee as specified below in greater detail.

### **14. SANCTIONS FOR BREACH OF THE CODE**

#### **14.1. General principles**

Observance of the rules contained in this Code must be considered an essential part of the contractual obligations established for Company employees, as well as for its Agents, Distributors, Partners, Consultants,

Collaborators, Suppliers and all those who operate, both in Italy and abroad, in the name and on behalf of the Company and therefore become “Addressees” of this Code, with regard to the existing contractual relationship.

#### **14.2. Supervisory Body and reporting**

Without prejudice to compliance with each form of protection provided by legislation or by collective agreements in force and without prejudice to legal obligations, the Supervisory Body, if appointed pursuant to Italian legislation, or the board of statutory auditors, if existing, or the person responsible for control of the Company has the authority to receive requests for clarification regarding this Code.

Each breach of the principles and provisions contained in this Code of Ethics by the Addressees must be promptly reported and addressed to the Supervisory Body, if appointed pursuant to Italian legislation, or to the board of statutory auditors, if existing, or to the person responsible for control of the Company.

When reports are received, the Supervisory Body, if appointed pursuant to Italian legislation, or the board of statutory auditors, if existing, or the person responsible for control of the Company shall carry out appropriate inquiries, possibly requesting the assistance of the competent corporate functions and shall inform the competent bodies of the disciplinary sanctions imposed.

All reports received by the Supervisory Body, if appointed pursuant to Italian legislation, or the board of statutory auditors, if existing, or the person responsible for control of the Company shall be managed in strict confidentiality, failing which the members’ mandate shall be revoked.

Those reporting in good faith must be guaranteed against any form of retaliation, discrimination, penalisation and in any case the identity of the reporting person shall remain confidential, without prejudice to: i) legal obligations and protection of the rights of the Company or of persons accused erroneously or in bad faith; ii) requirements associated with fulfilment of the duties of the Body, the Statutory Auditor, if existing, or of the person responsible for control of the Company.

#### **14.3. Sanctions**

Acting through the specially empowered bodies and functions, and in a consistent, impartial and uniform manner, the Company shall impose sanctions proportionate to the respective breaches of the Code and compliant with applicable provisions governing employment relations.

Sanctions for Company Employees shall be consistent with the measures indicated in the National Collective Labour Agreement (hereinafter NCLA) applicable to the Company and set out in the contract, as well as those indicated in the Organisation, Management and Control Model of the Company.

Breaches committed by Addressees who are not employees shall be promptly communicated in writing to the Supervisory Body, if appointed pursuant to Italian legislation, or the board of statutory auditors, if existing, or the person responsible for control of the Company by whoever learns of them.

These breaches shall be punished by the competent bodies on the basis of internal corporate rules and according to the provisions of the appropriate contractual clauses.