

PROJECT:	Organisation, Management and Control Model ex Legislative Decree 231/01
SUBJECT:	Code of Ethics

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1. INTRODUCTION

Pietro Carnaghi Spa is a modern company, proud of its human, territorial and professional roots that made it a dynamic industrial reality.

Aware of the role to play towards who enable it to achieve excellent results - employees, customers, suppliers, economic and social framework in which it operates - **Pietro Carnaghi Spa**, with the drafting of this Code of Ethics, wants to ensure that everybody: employees, shareholders and stakeholders are aware of and are inspired in their actions and behaviors, within the scope of their functions, responsibilities and roles, by the principles of the D.Legislative Decree 231/2001 which intends the Code of Ethics - placed within a concrete model of organization, management and control - as a further instrument of efficiency and reliability, a guarantee of the reputation and success of the Company.

This Code of Ethics is a reference model of the principles of loyalty and honesty that all those who operate in **Pietro Carnaghi Spa** are required to adopt. **Pietro Carnaghi Spa** is committed to promoting its knowledge not only to its own staff, who has already incorporated it, but also to all the persons who operate and gravitate in its world, the Company is glad to get constructive contributions from everybody to further improve its contents. **Pietro Carnaghi Spa** constantly monitors the careful observance of the Code, implementing adequate information, prevention and control instruments and procedures in order to ensure the transparency of the operations and behaviours adopted and to promptly guarantee, where necessary, the appropriate corrective actions.

2. FOUNDING PRINCIPLES

A duty and constant commitment of all the persons who have relations with **Pietro Carnaghi Spa**, whether or not they belong to the company organization, is to operate in absolute compliance with the national and transnational laws and regulations, including those related to competition, in force in the territories in which the Company operates.

Pietro Carnaghi Spa adopts strict accounting criteria to ensure that its financial information is accurate, complete and in compliance with the laws in force.

The actions implemented by **Pietro Carnaghi Spa** are focused on the satisfaction and protection of its customers, through a continuous process of improving the quality of products and the adopted operating methods.

Relations with suppliers and customers are governed by common and shared principles, constantly monitored by the company management.

The detection of conducts that do not comply with this Code of Ethics entitles the company to take appropriate measures that may even lead to the interruption of the relationship between the parties.

The behavior of each member of the company organization must comply with the principles of fairness, good faith, transparency and loyalty, towards the organizational structure, colleagues and third parties with whom he/her relates, consistently with the fundamental contents of the Policy of respect for the rules of national and international trade, Quality, Environment, Health and Safety adopted by the Company.

Nobody in the company is allowed to offer money, goods, services, gifts, benefits or favorable treatment of any kind or amount, either in the name of or on behalf of the company, or in his/her personal name, to employees of companies or entities, nor to persons used by them, in order to induce, remunerate, prevent or otherwise influence - implicitly or explicitly - any act or fact in the interest of **Pietro Carnaghi Spa**. Promotional gifts, small gifts or courtesies may be given and/or received, as long as they comply with local customs and are not prohibited by law, only if they are of modest value and cannot in any way be considered as a search/offer of favours.

Likewise, no member of the company organization is allowed to receive or in any way solicit money, goods, services, gifts, benefits or favorable treatment of any kind and of any amount, from suppliers or customers, in connection with their job or in any case with the activity carried out in the company. Moreover, no member of the company organization is authorized to provide - on behalf of or in the name of **Pietro Carnaghi Spa** - financing or contributions to political parties, organizations or candidates.

The above is not allowed even indirectly (through family members or intermediaries) or under hidden forms (sponsorships, assignments, consulting, advertising, etc.).

3. RELATIONS WITH EMPLOYEES AND COLLABORATORS

Pietro Carnaghi Spa maintains exclusively regular employment relationships in accordance with current national contracts.

The information requested during the staff assessment phase is closely linked to the verification of the correspondence of professional and psycho-aptitude requirements in relation to the Company's needs, in full respect of equal opportunities and the opinions of each candidate without any distinction on the basis of ethnicity, religion or other manifestations in any way related to the private sphere.

When establishing the employment relationship, **Pietro Carnaghi Spa** provides accurate information in relation to the characteristics and requirements of the function and the tasks to be performed, company rules and procedures related to the work activity, regulatory aspects and remuneration, so that the acceptance of the relationship by the candidate is based on total and conscious understanding.

As explicitly provided for in the company procedures, **Pietro Carnaghi Spa** pays particular attention to ensure that anyone who enters its organizational structure, at any level he/her has to operate, acquires full awareness of the actions to be taken to preserve the health and safety of themselves and other workers and to preserve the working and territorial environment. The same care is taken in the equipment and working methods choice.

Pietro Carnaghi Spa also works to promote the development and growth of its staff, enhancing existing professional skills and providing training and improvement tools so that everyone can express their attitudes and potential at best.

The behavior of each level of the hierarchical structure in the Company must always be based on mutual respect and loyal cooperation. **Pietro Carnaghi Spa** gives a lot of importance to the implementation of the company values and the motivation of its employees. This creates the condition for an active participation in the company's activities, soliciting - with a view to total quality - suggestions and requests as well as promoting a positive approach to the control function as a fundamental element for the improvement of company processes. For this reason each employee is required both to comply with internal procedures and to detect and indicate corrective actions that could improve these processes.

Pietro Carnaghi Spa makes many efforts to protect the right of working conditions that respect individual dignity, opposing any attitude or behavior that can be discriminatory or harmful to the person, his/her beliefs and preferences and prohibiting acts and gestures that can be perceived as psychological violence, sexual harassment and behavior or speech that may disturb the sensitivity of the person (for example, insistent and continuous allusions).

In accordance with the duties of loyalty set forth, the members of the company are required not to carry out activities or pursuing interests in conflict with those of the company. They are also required not to disclose or use for their own benefit or for the benefit of third parties, any news or confidential information relating to company activities.

Furthermore, it is expressly forbidden to engage in, collaborate in conducts prohibited by law, and in particular those which integrate the types of offences provided for in Articles 25-bis, 25-bis1 and 25-ter of Legislative Decree 231/01.

Equal prohibition is foreseen against actions and behaviors which, although not constituting an offence, have the potential to become it or to facilitate the offence.

Pietro Carnaghi Spa staff and the staff of the other Companies of the Group is required to be aware of the Ethic Code and of its principles and it is required to update about every further revision.

The staff has also to inform the Supervisory Body, which is responsible for ensuring the correct observance of the Code of Ethics in each Group of the Company, of any violations it become aware in carrying out its activities.

Personnel has the right and duty to consult with managers, or directly with the Supervisory Body, for any clarification regarding the interpretation and correct application of the rules and principles contained in this Code of Ethics.

Except in cases where this is expressly provided for by law, the Recipient who, because of his/her relationship with the group, knows about unlawful conduct or, in any case, conduct not in conformity with the Code of Ethics and with the provisions contained in the related Organizational Model ex Legislative Decree 231/2001 and who informs his/her Company Supervisory Body, cannot be discriminated or punished in any way and anonymity must be guaranteed.

It is not allowed any form of discrimination or favouritism on the basis of membership of trade unions, associations and political parties, or on the basis of political, party or religious ideas.

Everyone has the right to choose the trade union organization, association or political party to which he/she wishes to join, on the basis of his/her own needs, beliefs, ideologies, in compliance with current laws and company procedures.

4. IMAGE PROTECTION

The good reputation and/or image of **Pietro Carnaghi Spa** represents an essential intangible resource.

All the employees and collaborators are committed to act in compliance with the principles dictated by this Code in relationship between colleagues and with customers, suppliers and third parties in general, maintaining a respectable behavior in compliance with the common standards of companies with such size and importance of **Pietro Carnaghi Spa** and avoiding situations and behaviors that could damage the interests or the image of the Company.

5. CONFLICT OF INTEREST

Pietro Carnaghi Spa undertakes to implement proper measures to prevent and avoid that the persons involved in company activities are, or may even appear to be, in conflict of interest.

A situation of conflict of interest is meant to exist both in the event that an employee (or a person in any case connected to him/her), through his/her conduct, pursues interests different from the company mission or personally takes advantage of business opportunities of the company, and in the event that the representatives of the stakeholders (gathered in groups, associations, public or private institutions), act in conflict with the fiduciary duties linked to their position.

The addressees of this Code must refrain from participating in any activity that may generate or appear to cause a conflict of interest, in compliance with the principles of legality, loyalty, fairness and transparency.

In particular, there is the duty to avoid maintaining external professional relations with persons to whom there is an obligation of neutrality and impartiality: in such cases, the direct superior has to be promptly informed.

Those who are required to comply with this Code must not engage in any activity that conflicts with the proper performance of their official duties.

6. TRANSPARENCY, COMPLETENESS AND CONFIDENTIALITY OF INFORMATION

Pietro Carnaghi Spa is committed to manage the flow of information to stakeholders in such a way that it could be always complete, clear and transparent and that financial, accounting or management data meet also the requirements of truthfulness, completeness and accuracy.

Pietro Carnaghi Spa also ensures the confidentiality of the information in its possession, defining and continuously updating the specific procedures for the protection of information required by current regulations on the processing of personal data.

All those who, in the performance of their work duties, have the availability of confidential information and data are required to use such data only for the purposes permitted by law and may not use information or documents, even non-confidential, they have at their disposal for official reasons, for private purposes and in their own interest, or for the benefit of others.

In particular, the different practices must be dealt with the owners, or representatives, avoiding to discuss office matters or to make documents available to unauthorized persons or former employees of **Pietro Carnaghi Spa**.

Communications within the company or addressed to external parties, meaning all the physical or legal entities with which **Pietro Carnaghi Spa** maintains relations, made by the employee, must be previously authorized by the hierarchical superior.

It is forbidden for the employees to release information regarding acts and measures related to administrative, civil and criminal ongoing proceedings, as well as the issue procedure, before they have been officially approved by the Company and formally communicated to the parties.

Notwithstanding the compliance of the privacy protection rules, the employee respects official secrecy and keeps confidential the news and information learned in the performance of his/her duties. The duty of confidentiality must be observed even after termination of service.

The employee consults only the documents and files to which he/she is authorized to access and he/she uses them in accordance with his/her official duties, allowing access to third parties, only in the cases provided for by law, and to colleagues for reasons of service in accordance with the instructions given by the office.

7. ANTI-CORRUPTION

Principles of Behavior

For these purposes, Pietro Carnaghi Group undertakes not to tolerate any kind of corruption in any form, in any jurisdiction, even where such activities are in practice admitted, tolerated or not prosecuted.

Policy on social responsibility for health, safety and rights at work, environment

In relations with representatives of companies, both Italian and foreign, it is forbidden for the Recipients of the organization and control model, also through third parties, to give or promise to them (or to their relatives, cohabitants ...), outside of normal commercial and institutional relations, money, goods or other benefits that for their amount are aimed to acquiring undue advantages, or could create an impression of bad faith or misconduct. In any case, it is forbidden to give or promise money, goods or other benefits to the aforesaid persons in order to ensure that they perform or omit acts in violation of the obligations regarding their office or loyalty obligations, causing damages to the company they belong to.

Code of Conduct in corporate and market communication matters

Commitment to compliance with the law:

The Recipients of the organization and control model, in compliance with the provisions of the company's Code of Ethics, are committed to respecting laws and regulations in force depending on the country in which the company operates. No relationship must begin or continue with who do not intend to comply with this principle.

Code of Conduct in relations with internal parties and third parties within the Company

The attention in the choice of the counterparty:

Appointing persons to operate in the name and/or on behalf and/or in the interest of the Company must include a specific clause that bind to the respect of the ethical-behavioural principles adopted by the Company. Shouldn't this specific clause be respected, the Company is allowed to terminate the contractual relationship.

All consultants, suppliers and in general any third party acting in the name and/or on behalf and/or in the interest of the Company are identified and selected with absolute impartiality, autonomy and independence of judgment. In their selection, the Company shall take care to evaluate their competence, reputation, independence, organizational capacity and suitability for the correct and timely performance of contractual obligations and assigned tasks.

Code of Conduct in relations with internal parties and third parties within the Company

Attention to counterparty's activities control:

All consultants and other persons working for the Company must operate, always and without exception, with integrity and diligence, in full compliance with all the principles of correctness and lawfulness provided for by the ethical codes adopted by them.

Code of Conduct in relations with third parties to the Company

The commitment to the definition of accounting data:

The persons in charge of administrative/accounting functions within the scope of their assigned tasks and as far as of their responsibility must ensure that each operation is:

- legitimate, appropriate, authorized and verifiable;
- correctly and adequately recorded, so as to make it possible to verify the process of decision, authorization and execution;
- complete with a documental support suitable to allow, at any time, controls on the characteristics and motivations of the operation and the identification of the person who has authorized, carried out, recorded and verified the operation itself.

Code of Conduct in corporate matters and market communication

These principles must be respected both by Pietro Carnaghi employees and by third parties who collaborate with Pietro Carnaghi.

8. HEALTH AND SAFETY

The respect for physical and cultural integrity of the person represents an ethical reference value for **Pietro Carnaghi Spa**.

Employees and collaborators are an essential asset for the success of the company's mission.

The Company protects and promotes the value of human resources, in order to improve and increase the experience and the skills of each employee. Abstention from the use of drug and moderation in the use of alcohol and smoking are ethical principles.

Pietro Carnaghi Spa is committed to ensuring to its employees working conditions that respect individual dignity and safe and healthy working environments.

9. RESPECT FOR THE RULES OF INDUSTRY AND TRADE

Pietro Carnaghi Spa promotes the respect of the rules of industry and trade and expressly forbids its employees, collaborators and consultants to adopt behaviours that manifest the will to violate these rules.

The company undertakes, also through targeted communication campaigns, to promote commercial *fair play* and applies a system of internal procedures that allow it to operate in a context that respects the general rules of trade and that anyway counters behaviours that can violate the provisions of Articles 25-bis and 25-bis1 of Legislative Decree 231/01.

In this context **Pietro Carnaghi Spa** pursues the following objectives:

- to orient procurement choices towards suppliers that are in line with the principles expressed in this document;
- encourage customers to behave in a way that respects the rules of industry and commerce.

10. ENVIRONMENT

In carrying out its activities, **Pietro Carnaghi Spa** is committed to constructively contribute to the protection of the environmental heritage, seeking a balance between economic objectives and the fundamental needs of protecting the territory and citizens.

The company aims to make a positive contribution to sustainable development by managing and reducing the direct and indirect environmental impacts of its activities.

In particular, with regard to direct impacts, the Group defines the following priority objectives:

- to manage activities using natural resources efficiently, minimizing, in particular, the impacts on the environment related to energy and water consumption, waste production and greenhouse gas emissions;
- to orient management choices so as to encourage the adoption of sustainable strategies and the use of energy from renewable sources;
- to improve the method of collecting, calculating and tracking environmental data, with particular reference to CO2 emissions and waste disposal.

Pietro Carnaghi Spa, being aware of its influence towards stakeholders for the adoption of responsible behaviour in the environmental field, also intends to manage the indirect impacts related to the procurement of goods and services.

In this context **Pietro Carnaghi Spa** pursues the following objectives:

- to orient procurement choices towards suppliers that are in line with the principles expressed in this document;
- to encourage customers to adopt eco-sustainable behaviours

11. RELATIONS WITH STAKEHOLDERS

Relations with partners and shareholders

Relations with partners and shareholders are governed by the law and Statutory norms, with the view to safeguarding the interests of minorities and all Recipients, in compliance with the general principles set out in the Organizational Model pursuant to Legislative Decree 231/2001 and the values stated in this Code of Ethics.

Relations with customers

Customer satisfaction is the objective of the Group, which pursues its business success by offering quality services at competitive conditions. Therefore, the Group's commercial policy is aimed at ensuring the quality of raw materials and products offered, the reliability of the offered service, the safety of products and processing conditions, all in full compliance with the provisions of law, regulations and shared values.

In relations with customers, the Group shall not have misleading conducts that could mislead the customer about the technical and economic evaluation of the products sold and services offered/supplied. The relationship with customers is inspired by the principles of good faith and loyal cooperation.

Relations with Suppliers

Suppliers are chosen on the assumption that they share the principles and values contained in this Code of Ethics, that they undertake to observe, to the extent applicable to them.

The most important target is to promote the construction of lasting relationships for the progressive improvement of performance, in the protection and implementation of these principles and values, as well as to grant equal opportunities to all parties concerned and to ensure compliance with the principles of transparency and loyalty, in order to allow maximum participation and competition between them.

As well as the selection of the Suppliers, the determination of the purchases of goods and services and the formulation of the related purchase conditions must also occur in compliance with this Code of Ethics and they are based on the evaluation of objective parameters to guarantee transparency, such as quality, price of the goods or service, guarantees of assistance, timeliness and efficiency. In the choice of Suppliers, a particular attention, is dedicated to the verification of their reliability and seriousness in terms of compliance with current legislation and rules governing their activities.

It can be asked to the Suppliers to communicate the material characteristics and health and safety information of the products they supply to the Group, in accordance with the relevant trade regulations and any specific national or international standards and generally accepted industry guidelines.

Suppliers may also be required to provide the Group with information on the country of origin and the sources of components and raw materials contained in the products they supply, so as to be able to verify compliance with applicable laws, including international laws.

Suppliers therefore have to maintain reliable information, including any changes, on the origin and composition of the products they supply.

In the event that a Supplier adopts a conduct that is not in line with the principles of this Code of Ethics, the Company will take right measures, including the termination of existing contracts and the preclusion of further collaboration opportunities with the Group.

Purchasing processes are governed by specific company procedures that ensure their traceability and transparency. In particular, the remuneration to be paid must be exclusively commensurate with the service indicated in the contract and payments may in no way be made to a party other than the contractual counterparty.

The Recipients (directly or through third parties) are expressly forbidden to offer or receive to/from anyone any gift that may even be interpreted as exceeding normal commercial or courtesy practices,

or be intended as aimed to acquire favourable treatment in the conduct of any activity connected with the Group.

Relations with competitors.

Relations with national and international competitors must be fair, honest and correct. In any case, the Group deals with its competitors in such a way as to preserve its tangible and intangible assets, the integrity of its rights, the enhancement of its human assets and corporate resources, and the development of its know-how and corporate values.

The Group shall refrain from collusive or predatory behaviour or any form of abuse.

Intragroup relations.

Pietro Carnaghi Spa manages relations with the other Companies of the Group in full compliance with the laws and regulations in force, as well as in compliance with the principles set out in this document, paying particular attention to the management of financial resources and intra-group transactions. The circulation of information within the Group takes place in accordance with the principles of truthfulness, completeness, clarity and fairness, respecting the autonomy of each company and the specific areas of activity.

Relations between the individual stakeholders of Pietro Carnaghi Spa, also in relations with the stakeholders of other Group companies, must be based on criteria and conduct of honesty, correctness, cooperation, loyalty and mutual respect.

Relations with the P.A. and Public Institutions.

In relations with the Public Administration and Public Institutions, the Addressees must act in compliance with the laws, regulations, the Organizational Model pursuant to Legislative Decree 231/2001 and the Code of Ethics, i.e. according to principles of honesty, correctness, loyalty and transparency. It is absolutely forbidden for each Addressee to adopt behaviour aimed at improperly influencing the decisions of the public subject in order to obtain favourable treatment.

All activities existing with the Public Administration and Public Institutions must be documented and traceable, in order to facilitate the performance of the supervision and control activities delegated to each Supervisory Board and to the Board of Auditors (if appointed).

On the occasion of participation in tenders called by the Public Administration, those who act in the name and on behalf of the Company or the Group shall refrain from behaving in any way aimed at influencing the public subject and directing its decisions in a favourable direction for the Company or the Group.

In particular, unlawful payments are prohibited and practices of corruption, favouritism, collusion, direct and/or indirect solicitation, also through promises of personal benefits, adopted towards any subject belonging to the Public Administration or in any case exercising public functions.

The assumption of commitments, by the Company or the Group, with the Public Administration and with Public Institutions, including the Supervisory Authorities, is reserved exclusively to the company functions expressly appointed and authorised for this purpose, which, in any case, are not in situations of conflict of interest.

12. METHODS OF APPLICATION AND CONTROL OF THE CODE OF ETHICS

This Code of Ethics applies to all those who directly or indirectly, permanently or temporarily establishes relationships with **Pietro Carnaghi Spa**. The compliance with the rules of the Code of Ethics is to be considered an essential part of the contractual obligations of all employees as per as art. 2104 of the Italian Civil Code.

The company management, which is responsible for guidance, management and example to the whole company staff, is required to have in-depth knowledge of this Code of Ethics and how it is applied.

No one has the authority to request or induce violations of this Code of Ethics and any attempt to do so is subject to immediate disciplinary action.

13. CONTROL AND SUPERVISION FUNCTION

In implementation of the provisions of the Decree, a Supervisory Body has been identified within **Pietro Carnaghi Spa**, consisting of 3 effective members, one of whom is internal to the Company and the other two external. Fundamental tasks for the Supervisory Board are:

- to manage aspects related to the knowledge and adoption of the Code of Ethics;
- to constantly monitor the application and compliance with the Code of Ethics;
- to receive reports of violations, ensuring the confidentiality of sources;
- to express binding opinions on the possible revision of the Code of Ethics or of the most important company policies and procedures, in order to ensure consistency with the Code itself.

Each employee of **Pietro Carnaghi Spa** is required to report to his/her superior, who will inform the Control and Supervision Function, any conduct deemed, even if in good faith, contrary to the law or the Code of Ethics. If the superior is involved, or has been unable or unwilling to handle the problem adequately, the report should be submitted to the higher level of the hierarchy. It is a specific commitment of the company management to analyse and deal with each report received with the utmost seriousness and full determination, working to ensure a solution that complies with the company's ethics and values as well as with applicable laws and regulations.

14. PENALTY SYSTEM

In case of ascertained violation of this Code of Ethics, the measures to be taken are defined by the appropriate hierarchical level according to the regulations in force and according to the disciplinary system adopted in the company and defined in the General Part of this Organisation, Management and Control Model. The confirmation of the sanctioning action implementation verification and the related outcome are reported to the Control and Supervision Function.

Measures against directors: In the event the violation of this Code of Ethics is made by directors, the Company's Management will take the appropriate measures as soon as possible in compliance with current laws and regulations.

Measures against managers, middle managers, clerks and employees: The disciplinary sanctions foreseen against managers, middle managers and employees are those of specific national collective labour agreements of each category.

Measures against third parties: The disciplinary sanctions for third parties who have contractual relations with **Pietro Carnaghi Spa**, whether natural or legal persons, are the termination of existing contractual relations, without prejudice to the right to compensation for damages.