



CODE OF ETHICAL BEHAVIOUR

GENERAL PRINCIPLES

This Code of Ethical Behaviour defines the fundamental principles that inspire company business and the company's relations with all other parties that are involved.

The following parties are considered relevant for the purposes of the Code:

- Human Resources
 - Shareholders
 - Customers
 - Suppliers
 - Financial Institutes
 - Civil Communities
 - Public Administration
 - Environment

To promote the knowledge, sharing and distribution of the defined principles, the company is committed to the upkeep of transparent, clear relationships with the aforesaid parties that are always open to dialogue.

The basic values these principles are founded on are: **respect, involvement, humility, availability, honesty.**

- **Respect** means the natural observance of the rules of the reference civilisation, education, loyalty and, consequently, the refusal of all lies and betrayals, thereby recognising the rights, roles, dignity, the respect of people and property and, therefore, abstaining from any offensive or damaging behaviour towards them.
 - **Involvement** means ensuring all parties are involved in achieving the company goals.
 - **Humility** means not boasting of one's own merits but recognising one's own natural limitations.
 - **Availability** means being always ready to cooperate.
 - **Honesty** means behaving in an upright and fair manner, in line with the moral principles that are commonly considered as valid. Consequently, honesty rejects any form of deception and pretence.

The primary fundamental consequence of applying these reference values is the total respect of the moral principles of western civilisation. In particular, the company guarantees:

- The full respect of human rights
 - The rejection of discrimination due to race, religion, gender and social standing.
 - The total absence of any form of discrimination in the recruitment and dismissal policies.
 - No use whatsoever of child labour.

Secondly, applying the aforesaid values entails fully observing all the rules and civil, criminal and applicable laws to the sector, and respecting national laws and regulations in force where the product is supplied or the service is provided. Finally, in adopting the basic values, the Code is consistent with the first social mission of an enterprise: to create values that guarantee long life and development. Profit, meant as remuneration for the business risks and organisation of production factors, is not in contrast with the reference ethical values. Just the opposite, there is a reciprocal functional relationship between them.

HUMAN RESOURCES

Human resources are a crucial factor for a company's success. The abilities of the individuals and their level

of involvement are an intangible asset for the company that cannot be rapidly reconstructed and is one of the competitive advantages that the competition finds hardest to emulate.

The Code ratifies the commitment not to discriminate the company's human resources according to their employment contract, either short-term or permanent. The same consideration must also be guaranteed irrespective of the person's qualifications, company position and tasks.

Social relationships that are formed and developed in the workplace affect the personal and emotive state of each person. The employer must strive to ensure there is a serene company atmosphere that stimulates dialogue and discussion among colleagues, respecting the work duties and personal opinions of each one. Furthermore, it is appropriate that work needs are reconciled with personal needs, using the flexible tools that were introduced by the recent reform and through the use of new technology.

Finally, special focus is paid to employee training, an essential tool to improve work effectiveness and efficiency, but above all fundamental to guarantee the employee's professional dignity within a continuously evolving "economic community".

The Company undertakes:

- To maintain a responsible, coherent behaviour even in critical situations, for example company reorganisation or periods of recession.
- To provide professional training.
- To encourage internal communications through periodic meetings, specially prepared suggestion forms, newsletters and emails, in order to collect the needs and proposals from all company operators.
- To adopt equal opportunity policies for recruitment, training, career, with merit being the inspiring principle for human resource management.
- To avoid and disapprove of all forms of discrimination.
- To encourage building a serene company atmosphere.
- To spread a safety culture by developing an awareness of the risks involved, encouraging responsible behaviour from all human resources in order to protect their health and safety.
- To respect all cultures and religions, implementing actions to aid integration into the company scenario.
- To assist personnel in reconciling their work with their private time, using flexible tools such as part-time, hourly work and other benefits.
- To include projects in company policies addressed to integrating the disabled into the work world.
- To encourage moments for meeting and acquaintance among employees, even outside of work.

SHAREHOLDERS

The primary goal for every enterprise is to create value for its shareholders. Each director and employee strives to achieve this goal through their work.

It is fundamental that all shareholders are assured the effective exercise of their rights as derived from law and the Articles of Association.

Exercising said rights and duties is only effective if the shareholders are informed of all relevant company facts, and if there is the broadest possible sharing among the shareholders while respecting the effective percentage holding of each one.

If is not sufficient that shareholders are provided with correct and complete information as required by law and accounting practice, the information must also be comprehensible, with appropriate details and explanations to enable all partners to understand.

The recent company law reform that increases the protection of minors and extends the autonomy of the Articles of Association, makes this requirement even more restrictive.

The Company undertakes:

- To pursue the primary goal to create value for its shareholders.
- To develop internal control systems to guarantee the correctness and transparency of all accounts and financial records.
- To ensure shareholders receive continuous, prompt and adequate information to ensure they are informed of company facts and are able to exercise their sovereignty during the Shareholders' Meetings.
- To encourage dialogue and discussion among shareholders to achieve the broadest sharing of the strategic policies.

CUSTOMERS

Correct commercial practice is the keystone that governs all customer relations. All tools must be implemented in order to understand customer needs.

The offer of products and services must be consistent with the effective production capacity and real customer demands.

Commercial relations do not end when the product is delivered or the service provided with the resulting payment. Consequently it is appropriate to seek dialogue and discussion with customers ever in the after-sales period.

Customers expect constant product quality and production continuity. To maintain an honest, correct and respectful relationship, we have to provide customers with timely information about all facts that could compromise production or change our commercial offer.

Finally, the Company undertakes to protect the principle of competition, and not to be part of cartels or associations that could prejudice the free trade market.

The Company undertakes:

- To offer services and products whose quality is guaranteed, and with production methods that comply with the sector regulations.
- To encourage dialogue in all possible forms, and implement listening channels, such as a phone number or email address where any proposals, demands and requests could be received.
- To formulate customer offers that, while upkeeping the competitive dynamics, also preserve the features of transparency and coherence.
- To control customer satisfaction and process the incoming data in order to continuously improve the products and services we offer.
- To promptly inform customers about Company facts that could affect them.

SUPPLIERS

Correct commercial practice is also the foundation for our supplier relations. Constantly searching for the utmost efficiency, competitiveness, improved products and success of a company can only succeed if there is a close partnership with them.

The price must not be the only parameter taken into account. Ethical behaviour, commercial correctness, transparency, environmental impact from the products and production processes are also variables that have to be considered when choosing a supplier.

Suppliers also plan their production according to our business trends. Therefore, honest and correct trade relations require implementing those channels that enable a rapid exchange of information about all those facts that could compromise our demand or alter our buying power.

Finally, the Company undertakes to protect the principle of competition, and not to be part of cartels or associations that could prejudice the free trade market.

The Company undertakes:

- To respect contractual agreements.
- To choose and monitor suppliers based on assessments of economics, efficiency, opportunity, quality, ethical behaviour, and avoiding all forms of prejudice and discrimination.
- To promptly inform suppliers about any Company facts that could affect them.
- To issue orders and stipulate contracts in a clear and transparent manner.

FINANCIAL INSTITUTES

The banking system and financial market are fundamental for business development, especially in the Northeast Italy economic scenario marked by a low capitalisation level.

The former directly provides the financial resources the company needs to operate; the second is the means

used to involve savers in the Company.

In both cases, correctness, completeness, transparency and truthfulness of the information provided are essential factors.

Only a clear representation of the economic, assets and financial situation of the Company enables correctly evaluating the risks involved with the financial transaction.

Also savers, who the financial institutes place the bonds with, require a transparent company communications channel.

The Company undertakes:

- To develop internal control systems to ensure the correctness and transparency of the accounts and financial records.
- To ensure constant, timely information that is adequate to ensure the company facts can be understood.
- To invest its resources and develop its knowledge relative to its typical business activity, always considering financial functions as accessory to achieving the corporate purpose.

CIVIC COMMUNITY

The relations between the Company and the community are established, on one hand, with the Territory and, on the other, the Associations.

The Company interacts with and strongly conditions the area where its operational and commercial activities, its success and development are integrated. Economic activities give drive to the generation of new initiatives triggering the widespread entrepreneurial process.

Furthermore, creating economic districts, decentralisation, internalisation and outsourcing are all phenomena that involve the territory, generating demands that the community has to respond and adapt to.

It is appropriate that the community is promptly informed about all relevant facts within its economic structure, and is involved in defining the strategic choices.

The Company is likewise a community, which carries with it interests, values and culture. Consequently it has to be open to discussion with the other associations and institutions, assisting in the communications that are required for a representative democracy to work correctly.

The Company undertakes:

- To develop awareness of the Company role in the local scenario.
- To dialogue with movements, associations and institutions that are a source of ideas and stimuli to better understand the needs of the civic society.
- To encourage discussion between enterprise culture and social awareness.
- To actively take part in the life of the category associations, aware of the importance of dialogue with the other businesses and the “representative democracy”.
- To promptly communicate the company facts that are relevant for the community.

PUBLIC ADMINISTRATION

The Public Administration influences the life of companies through the activity of regulation and redistribution of resources. To fully perform this role it must have a complete and truthful view of the economic reality. It therefore requires clear and correct information on the assets, economic and financial situations of companies. Elusive or non-transparent behaviour creates inequalities and distortions that can lead the Administrations to adopt measures that are not consistent with the needs of flexibility and development of the economy.

The entrepreneur must observe all the fiscal and tax regulations so that the redistribution of resources can take place according to equity.

On the other hand, the use of public resources must be based exclusively on principles of social efficiency and effectiveness and not on grounds of political expediency. Indeed, a correct relationship between the company and the Public Administration has to be based on criteria of reciprocity

The Company undertakes:

- To develop accounting and internal control systems to ensure that all transactions are correctly recorded, authorised, verifiable, legitimate, consistent and appropriate.
- To highlight and report any incorrect or non-compliant behaviour with laws of both its employees and public employees.
- Not to abuse their weight in the community to exert pressure on the Public Administration aimed at obtaining advantages unrelated to the business activity.
- To dialogue with the Public Administration to deal with and resolve economic and social problems.
- To encourage the involvement of other entrepreneurs, trade associations and other economic subjects, in the definition of shared priorities and common expectations to be submitted to the Public Administration.

ENVIRONMENT

The problems of pollution, degradation of nature, the progressive depletion of the earth's riches represent one of the most dramatic aspects of the development of industrial civilisation. Today, however, there is a greater collective awareness about protecting environmental values. Awareness that also involves the business world.

The principles that inspire the Company's correct and respectful relationship with the environment are mainly two: the complex of economic, natural and cultural resources is not an asset for exclusive use, but belongs to all; a better environmental relationship today is a guarantee of the quality of life of future generations.

Consequently, the entrepreneur must be aware of the environmental impact of his business, products and industrial facilities.

Research and technological innovation must also aim at reducing the quantity and quality of environmental resources that are used.

The entrepreneur must be aware of the consequences of the production cycle and the environmental impact of the product offered. Therefore, where possible, forms must be studied for reuse, recycling or disposal.

Finally, the Company creates an environmental culture when it stimulates its organisation and its employees to optimise resource consumption, not only in the search for efficiency and cost reduction, but by virtue of the idea that collective behaviour it is also the sum of individual behaviour.

The Company undertakes:

- To develop awareness towards the environment and respect for ecological balances.
- To assess the environmental impact of its processes, products and services.
- To reduce the environmental impact of the resources used and of the productive activities.
- To improve the recyclability and reuse of its products.
- To promote behaviour within the company aimed at reducing its environmental impact.
- To consider participation in environmental requalification projects.
- To disseminate, with the most appropriate methods, its environmental awareness also in order to trigger emulative behaviour in other companies.