

***SOMec***

**CODE OF ETHICS**

**CONTENTS**

<b>1</b>	<b>INTRODUCTION</b> .....	5
1.1	The Code of Ethics .....	5
1.2	Addressees of the Code of Ethics .....	5
1.3	Scope of application .....	5
<b>2</b>	<b>THE GROUP'S ETHICAL PRINCIPLES</b> .....	6
2.1	Lawfulness .....	6
2.2	Transparency, fairness, loyalty .....	7
2.3	Professionalism .....	7
2.4	Conflict of interests.....	7
2.5	Environmental protection .....	7
2.6	Protection of competition .....	8
2.7	Safety in the workplace .....	8
2.8	Protection of individual personality and the physical integrity of persons .....	9
2.9	Protection of privacy .....	10
<b>3</b>	<b>CRITERIA FOR CONDUCT AT WORK</b> .....	11
3.1	Line of conduct.....	11
3.2	Working environment .....	11
3.3	Personnel selection and management.....	11
3.4	Protection of corporate assets .....	11
3.5	Circulation of information .....	12
3.6	Protection of confidential information .....	12
3.7	External dissemination of information .....	12
3.8	Processing of computerised data and copyrights .....	13
3.9	Accounting records .....	13
<b>4</b>	<b>CRITERIA FOR BUSINESS CONDUCT</b> .....	14
4.1	Conduct of personnel .....	14
4.2	Selection of suppliers .....	14

4.3	Relations with the Public Administration .....	15
4.4	Relationships with contractual partners .....	16
4.5	Relations with shareholders .....	16
4.6	Gifts, gratuities and other benefits.....	17
<b>5</b>	<b>IMPLEMENTING THE CODE OF ETHICS.....</b>	<b>18</b>
5.1	Whistleblowing .....	18
5.2	Breaches and penalties.....	18
5.3	Transmission of the Code of Ethics.....	18

*Preamble*

This Code of Ethics is inspired by the firm belief that corporate objectives can only be achieved with the loyal, convinced and active participation of all company personnel.

To this end, the parent company and every company in the Group (in brief *Somec Group*) pledge to take every action needed and useful to develop the skills, capabilities and potential of their employees, promote their sense of belonging to the Group and raise the level of competitiveness of each collaborator.

The Code seeks to disseminate among the company's bodies and employees policies aimed at combating all forms of corruption and fraud and preventing crime, in order to obtain their consent and collaboration.

Actions at odds with the provisions of this Code may result in damage to the company, consequently appropriate disciplinary measures will be taken against all those failing to comply.

## 1 INTRODUCTION

### 1.1 *The Code of Ethics*

The Code of Ethics aims to define, formalise and share the set of ethical values on which the Group's operations are based. Compliance on the part of Code Addressees is fundamental for the proper functioning, reliability and reputation of the Group itself.

The aim is to share these values and make them a reference point in relation to any decision or action taken by those who work in the company, at all hierarchical levels.

A Code of Ethics ensures effective action in preventing, detecting and combating breaches of laws and regulations applicable to the company's activity, and constitutes an integral part of the Organisation, Management and Control Model (hereinafter referred to as "Model" or "Organisational Model") drawn up to prevent the offences set forth in Italian Legislative Decree 231/01 (hereinafter the "Decree") and related provisions.

### 1.2 *Addressees of the Code of Ethics*

This Code applies to company Directors, all employees of the parent company and Group companies, all external collaborators (consultants, third-party professionals, intermediaries, commercial partners, agents and, more generally, all those who have relations with Group companies), suppliers, contractors, customers and all other stakeholders (*in brief*, "Addressees").

### 1.3 *Scope of application*

The principles and contents of the Code are obligations pertaining to diligence, loyalty and impartiality, and constitute rules on the correct performance of work activities and the conduct that all Addressees must maintain. In particular, the rules of the Code constitute an essential part of the contractual obligations to be fulfilled by company personnel, pursuant to and for the purposes of articles 2104 and 2105 of the Italian Civil Code (1).

The Code's Addressees are therefore required to comply with and enforce its provisions.

The parent company and each Group company shall assess from a disciplinary point of view, pursuant to current legislation, any conduct at odds with the principles enshrined in the Code of Ethics, and impose, in exercising their work powers, any sanctions that the gravity of the individual case may warrant.

Breaching the rules and procedures herein or acting in such a way as to commit one of the offences set forth in Italian Leg. Dec. 231/2001 constitutes a serious breach of contract, resulting in the consequences provided for by law and by the contract signed between the parties. This may result in the immediate termination of the employment relationship pursuant to art. 1456 of the Italian Civil Code, as decided by the parent company and each Group company, due to counterparty default, as well as a claim for compensation, adequately documented, for damages suffered.

This Code of Ethics is valid both in Italy and abroad, with any adaptations that may be necessary or appropriate due to the different conditions of the countries in which the parent company and each Group company operate. Should any of the provisions of the Code of Ethics be in conflict with internal regulations or procedures, the Code of Ethics shall take precedence.

The parent company and Group companies are required to inform the Addressees of the contents of this Code of Ethics, internal regulations and company procedures.

## **2 THE GROUP'S ETHICAL PRINCIPLES**

### *2.1 Lawfulness*

The parent company and each Group Company shall respect and enforce, internally, the laws in force in the States in which they carry out their business activity, as well as commonly accepted ethical principles and international standards when conducting their business. In pursuing these aims, all internal and external personnel are aware of the ethical value of their actions, and shall not pursue personal or corporate profit to the detriment of compliance with the laws in force and the principles of this Code.

## 2.2 *Transparency, fairness, loyalty*

The parent company and each Group company shall avoid the use of unlawful, or otherwise improper, conduct to achieve its economic objectives, to be pursued exclusively through the excellence of *performance* in terms of the quality of the products offered, based on experience and customer focus. The parent company and each Group company shall also adopt organisational tools to prevent breaches of law provisions and of the principles of transparency, fairness and loyalty on the part of internal and external personnel, monitoring relative compliance and implementation in real-world situations.

In carrying out their activities for the parent company and each Group company, Code Addressees are required to provide clear, complete, transparent and accurate information, in any case within the limits provided for by confidentiality obligations contained herein.

## 2.3 *Professionalism*

The parent company and each Group Company shall consider professionalism to be an essential value for growth and success in national and international markets, therefore the performance of corporate activities is based on the criteria of professionalism, engagement and diligence appropriate to the nature of the tasks and responsibilities entrusted to each collaborator.

## 2.4 *Conflict of interests*

Any decision relating to the activities and policies of the Somec Group is based on sound assessments, with the sole aim of pursuing the interests of the Group and not the particular personal interests or profit, be it direct or indirect, of any Code Addressee. Any situation that may constitute an actual or potential conflict of interest shall be promptly communicated by the party concerned to his/her head and/or to the legal representatives of the respective Somec Group company with which he/she maintains commercial, professional and/or employment relations.

## 2.5 *Environmental protection*

Somec Group seeks to ensure and promote the protection of the environment as a fundamental asset for society as a whole, through continuous improvement and research into eco-friendly operating methods<sup>1</sup>.

In particular, the parent company and each Group company shall promote actions for the separate collection, recycling and disposal of waste, and take special care with the choice of waste management service providers.

The company's top management bodies are committed to ensuring compliance with current environmental legislation ensuring the correct fulfilment of all the requirements provided for by law and regulations<sup>2</sup>.

Code Addressees are required to report any anomalies or malfunctions and hazard warnings, so that the Group can act quickly and remove any risk to the environment<sup>3</sup>.

## 2.6 *Protection of competition*

Aware that a system of healthy and correct competition contributes to continuous improvement and development, Somec Group shall comply with current rules on competition and refrain from implementing or encouraging conduct that may amount to forms of unfair competition. The parent company and each Group company shall ensure and promote the protection of democratic values and respect for the State, the Italian Constitution and public institutions as fundamental values of our legal system<sup>4</sup>.

## 2.7 *Safety in the workplace*

Safety in the workplace is a key corporate objective, therefore the utmost effort is made to monitor and improve working conditions in terms of health and safety.

Top management bodies are committed to providing a healthy and safe workplace for their employees, customers, suppliers, collaborators and

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<sup>1</sup> This principle also applies to preventing the committing of environmental offences as referred to in art. 25-undecies of Italian Leg. Dec. 231/2001.

<sup>2</sup> This principle also applies to preventing the committing of environmental offences as referred to in art. 25-undecies of Italian Leg. Dec. 231/2001.

<sup>3</sup> This principle also applies to preventing the committing of environmental offences as referred to in art. 25-undecies of Italian Leg. Dec. 231/2001.

<sup>4</sup> This principle is also aimed at preventing crimes in the areas of terrorism and subversion of the democratic order as per art. 25-quater of Italian Leg. Dec. 231/2001.

anyone else present in the company's offices and/or plants, taking special care to prevent accidents and occupational diseases and minimise risk<sup>5</sup>.

Code Addressees are required to report potential and obvious situations of risk or malfunctions in the workplace of which they become aware, acting with due diligence, so that timely actions can be taken to prevent risk and protect the Group's corporate image<sup>6</sup>.

Top management bodies undertake to seek the continuous improvement of occupational health and safety services, setting regularly reviewed objectives and targets, aimed in particular at preventing accidents and occupational diseases<sup>7</sup>.

Depending on their role and related responsibilities, Code Addressees undertake to comply with law provisions and regulations in force and signed voluntary agreements, cooperating with institutions, local authorities and industrial organizations<sup>8</sup>.

Top management bodies shall also promote internal and external communication, consulting and empowering workers at all levels and anyone performing company activities, through awareness-building, information and training programmes<sup>9</sup>.

## 2.8 *Protection of individual personality and the physical integrity of persons*

The parent company and each Group company shall ensure and promote the protection of individual freedom and human dignity, as fundamental rights through which human personality is expressed<sup>10</sup>.

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<sup>5</sup> This principle also applies to preventing the committing of the crimes referred to in art. 25-septies of Italian Leg. Dec. 231/2001, such as manslaughter and serious or very serious injuries suffered in breach of the rules on health and safety in the workplace.

<sup>6</sup> This principle also applies to preventing the committing of the crimes referred to in art. 25-septies of Italian Leg. Dec. 231/2001, such as manslaughter and serious or very serious injuries suffered in breach of the rules on health and safety in the workplace.

<sup>7</sup> This principle also applies to preventing the committing of the crimes referred to in art. 25-septies of Italian Leg. Dec. 231/2001, such as manslaughter and serious or very serious injuries suffered in breach of the rules on health and safety in the workplace.

<sup>8</sup> This principle also applies to preventing the committing of the crimes referred to in art. 25-septies of Italian Leg. Dec. 231/2001, such as manslaughter and serious or very serious injuries suffered in breach of the rules on health and safety in the workplace.

<sup>9</sup> This principle also applies to preventing the committing of the crimes referred to in art. 25-septies of Italian Leg. Dec. 231/2001, such as manslaughter and serious or very serious injuries suffered in breach of the rules on health and safety in the workplace.

<sup>10</sup> This principle also applies to preventing crimes against the individual pursuant to art. 25-quinquies of Italian Leg. Dec. 231/2001.

Code Addressees shall refrain from engaging in discriminatory conduct on the basis of ethnicity, sex, religious beliefs, nationality, age, sexual orientation, disability, language, political and trade union opinions or other personal traits<sup>11</sup>.

The parent company and each Group company shall ensure and promote the protection of people's health and physical integrity as fundamental rights of the individual<sup>12</sup>.

Everyone, within the limits of their own responsibilities, undertakes to combat child labour and exploitation, in particular refusing to enter into agreements with third parties who adopt such practices<sup>13</sup>.

## 2.9 *Protection of privacy*

The parent company and each Group company undertake to ensure that any personal information acquired is appropriately protected, according to the terms provided for by legislation, avoiding improper or unauthorised use, and to protect the dignity, image and confidentiality of each person, be they inside or outside the Group.

Personal information shall be processed in a lawful and correct manner. Personal information shall be collected and stored only if it is necessary for certain, specific and legitimate purposes. Data shall be stored for a period of time not exceeding that necessary for the aforementioned purposes.

As part of the protection of *privacy*, the Group shall be very careful in storing correct information regarding the persons from whom personal data are requested, regarding the type of information collected and the intended use that will be made of it.

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<sup>11</sup>This principle also applies to preventing crimes against the individual pursuant to art. 25-quinquies of Italian Leg. Dec. 231/2001.

<sup>12</sup> This principle also applies to preventing the committing of the crimes referred to in art. 25-quater 1 of Italian Leg. Dec. 231/2001, namely the practice of female genital mutilation.

<sup>13</sup> This principle also applies to preventing crimes against the individual pursuant to art. 25-quinquies of Italian Leg. Dec. 231/2001.

### **3 CRITERIA FOR CONDUCT AT WORK**

#### *3.1 Line of conduct*

The line of conduct of the parent company and each Group company towards third parties is based on efficiency, helpfulness and courtesy, with a view to forging highly professional relations.

#### *3.2 Working environment*

Top management, executives and heads of company departments shall set an example for all employees, and therefore act impeccably when exercising their powers and duties, promoting a spirit of collaboration, mutual respect and team spirit, so as to improve the quality of work, the corporate climate and the company's image.

Each individual should be treated with respect, without prejudice and intimidation. Any form of unlawful pressure or harassment shall be avoided.

#### *3.3 Personnel selection and management*

The evaluation of personnel to be hired is based on the matching of the candidate's professional and aptitude profiles with business needs. In compliance with the principle of equal opportunities, the private life or opinions of candidates shall not be relevant.

The parent company and each Group company shall offer equal employment opportunities to all employees based on specific professional qualifications and work performance.

The personnel selection department will use the information requested only to check the candidate's professional profile, avoiding any form of discrimination.

#### *3.4 Protection of corporate assets*

Personnel undertake to take care of the company's tangible and intangible assets in order to prevent fraudulent or improper use.

Use of these assets is intended solely to carry out business activities.

The parent company and each Group company shall ensure and promote adequate traceability of cash flows, in full and diligent compliance with legislation to prevent money laundering<sup>14</sup>.

### *3.5 Circulation of information*

The parent company and each Group Company undertake to inform all parties involved in an activity in a complete and timely manner.

As part of their duties, personnel in the Somec Group shall process, record and disseminate data and information in an accurate, thorough and truthful way, in compliance with corporate powers and procedures.

### *3.6 Protection of confidential information*

The protection of confidential information concerning the Group is a fundamental principle for the Somec Group.

For this reason, it is the duty of Addressees to act in a careful and responsible manner when handling confidential company information, with special reference to “price sensitive” information, complying with the rules adopted by the Group to avoid unnecessary internal disclosure and to protect such information externally.

The external dissemination of confidential information and documents is allowed only if expressly authorised. “Price sensitive” information in particular may be disclosed only by those functions expressly authorised to do so, in compliance with company procedures and relevant legislation.

Somec rejects any attitude that may entail the use of confidential information, both within the Group and in relations with third parties and on social media, for purposes unrelated to or outside the scope of one's functions, or the dissemination of false or misleading information.

### *3.7 External dissemination of information*

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<sup>14</sup> This principle also applies to preventing the committing of the crimes referred to in art. 25-octies of Italian Leg. Dec. 231/2001, namely receiving, laundering and using money, assets or benefits of unlawful origin, as well as self-laundering.

The external dissemination of communications is reserved for delegated corporate bodies.

Personnel may not provide news, information or data to representatives of the mass media without prior authorisation from the parent company or Group company.

Employees who are called upon to provide information relating to the parent company or to each Group company at conferences and public events and when drafting publications shall obtain the prior approval of the relevant company departments, so as to bring contents into line with company policy.

### *3.8 Processing of computerised data and copyrights*

The parent company and each Group company shall ensure and promote the integrity and safeguarding of data and information stored in computerised records, ensuring individual privileges for access to data and information in keeping with the role and responsibilities of each person<sup>15</sup>.

The parent company and each Group company shall ensure and promote the correct recording of each action, operation or transaction effected in the corporate information system, based on criteria set forth in law provisions and on applicable accounting standards<sup>16</sup>.

By virtue of their role, Code Addressees shall ensure and promote the integrity and safeguarding of data and information recorded in computerised records relating to design documentation so that clarity is guaranteed regarding the ownership of trademarks and patents.

Finally, the parent company and each Group company shall promote the correct use of original creative (intellectual) works, as well as computer programmes and databases<sup>17</sup>.

### *3.9 Accounting records*

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<sup>15</sup> This principle also applies to preventing so-called cybercrime and the unlawful processing of data as referred to in art. 25-bis of Italian Leg. Dec. 231/2001.

<sup>16</sup> This principle also applies to preventing so-called cybercrime and the unlawful processing of data as referred to in art. 25-bis of Italian Leg. Dec. 231/2001.

<sup>17</sup> This principle also applies to preventing crimes in the field of copyright infringement, as referred to in art. 25-novies of Italian Leg. Dec. 231/2001.

The parent company and each Group company shall manage accounting records in compliance with the principles of transparency, correctness and accuracy, and with existing legislation.

The Somec Group shall ensure the adequacy and effectiveness of its administrative and accounting system, help prepare and communicate to the market accurate and thorough economic, equity and financial data, in order to provide a clear, truthful and correct picture of the company's operations<sup>18</sup>.

All operations shall be recorded and documented, so as to allow the reconstruction of each operation, and related motivations and responsibilities. Top management bodies shall promote the introduction and use of appropriate tools to identify, prevent and manage financial reporting risks, as well as fraud and misconduct<sup>19</sup>.

The parent company and each Group company shall provide control bodies with access to documentation, adopting archiving criteria that make said records better and easier to use.

## **4 CRITERIA FOR BUSINESS CONDUCT**

### *4.1 Conduct of personnel*

In business relations with third parties, personnel shall act with the utmost loyalty, transparency, fairness and efficiency.

Unlawful practices and conduct, or attempts at corruption and favouritism, are prohibited.

### *4.2 Selection of suppliers*

Potential contractors shall be chosen according to the criteria of competition, transparency, objectivity and fairness, following a careful evaluation of the offer.

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<sup>18</sup> This principle is also aimed at preventing the committing of corporate crimes as referred to in art. 25-ter of Italian Leg. Dec. 231/2001 (and art. 3(2) of Italian Leg. Dec. no. 61/2002, as amended by article 31 (2) and art. 39 (5) of Italian Law 262 of 28 December 2005 and art. 1(77)(b) of Italian Law 190 of 6 November 2012 and art. 12 of Italian Law 69 of 27 May 2015.

<sup>19</sup> This principle is also aimed at preventing the committing of corporate crimes as referred to in art. 25-ter of Italian Leg. Dec. 231/2001 (and art. 3(2) of Italian Leg. Dec. no. 61/2002, as amended by article 31 (2) and art. 39 (5) of Italian Law 262 of 28 December 2005 and art. 1(77)(b) of Italian Law 190 of 6 November 2012 and art. 12 of Italian Law 69 of 27 May 2015.

By virtue of their role and related responsibilities, Code Addressees shall ensure adequate prevention of the risk of criminal infiltration, and promote the adoption of methods for assessing the reliability of the various stakeholders (individuals or organisations) that have relationships with the parent company and/or Group companies<sup>20</sup>.

By virtue of their role and related responsibilities, Code Addressees shall ensure and promote careful checks on the moral integrity, reputation and good name of contractors before establishing relationships or signing agreements<sup>21</sup>.

#### *4.3 Relations with the Public Administration*

Communications supplied by the parent company and each Group company to Public Administrations shall be clear, truthful, accurate and non-instrumental, in order to facilitate correct and complete information.

The parent company and each Group company shall respect, in all relationships, the regularity of administrative procedures and the proper functioning of Public Administration activities, formally and substantially respecting the latter's financial interests<sup>22</sup>.

Code Addressees shall ensure and promote, through their conduct, the impartiality of the Public Administration in the areas of evaluation, procedure and judgement<sup>23</sup>;

Code Addressees shall comply with applicable law provisions and the principles of transparency, honesty, and fairness in conduct, in order to ensure the utmost clarity in institutional relations and avoid risking the integrity and reputation of the Group itself<sup>24</sup>.

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<sup>20</sup> This principle also applies to preventing offences relating to organised crime, as referred to in art. 25-ter of Italian Leg. Dec. 231/2001.

<sup>21</sup> This principle also applies to preventing the committing of the crimes referred to in art. 25-octies of Italian Leg. Dec. 231/2001, namely receiving, laundering and using money, assets or benefits of unlawful origin, as well as self-laundering.

<sup>22</sup> This principle also applies to preventing crimes against the public administration as referred to in articles 24 and 25 of Italian Leg. Dec. 231/2001.

<sup>23</sup> This principle also applies to preventing crimes against the public administration as referred to in articles 24 and 25 of Italian Leg. Dec. 231/2001.

<sup>24</sup> This principle also applies to preventing crimes against the public administration as referred to in articles 24 and 25 of Italian Leg. Dec. 231/2001.

Conduct aimed at hindering or limiting the exercising of controls, checks or inspections by the Public Administration is prohibited.

By virtue of their role and responsibilities, Code Addressees shall ensure and promote correct, transparent and collaborative conduct in relations with judicial police forces and the investigating and judiciary authorities<sup>25</sup>.

The parent company and each Group company shall promote and ensure the lawfulness of their actions when performing corporate transactions and in relations with Supervisory Authorities<sup>26</sup>.

#### *4.4 Relationships with contractual partners*

Relations with contractual counterparties shall be developed in accordance with the principles of transparency, professionalism, clarity and efficiency. Any conduct designed to fraudulently prevent the free exercising of industrial and commercial activities will be considered at odds with the Code of Ethics.

#### *4.5 Relations with shareholders*

Somec S.p.A. pursues the creation of value for all its Shareholders, protecting the interests of the Group itself and of the Shareholders as a whole, without according any preference to particular categories. Any favouritism or preferential behaviour towards one or more Shareholders is expressly prohibited. In particular, the Shareholders' Meeting represents a fundamental opportunity for every shareholder to request clarifications on the different topics on the meeting agenda and to express their opinions.

Somec shall ensure constant dialogue with the financial community, in compliance with current legislation on corporate disclosure. Information shall be communicated promptly, correctly, transparently and accurately, and made available in the Investors section of the Group's website.

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<sup>25</sup> This principle also applies to preventing the committing of the crimes referred to in art. 25-decies of Italian Leg. Dec. n 231/2001, namely incitement to not make statements or to make false statements to legal authorities, and transnational crimes, as referred to in art. 10 of Italian Law 146 of 16 March 2006.

<sup>26</sup> This principle is also aimed at preventing the committing of corporate crimes as referred to in art. 25-ter of Italian Leg. Dec. 231/2001 (and art. 3(2) of Italian Leg. Dec. no. 61/2002, as amended by article 31 (2) and art. 39 (5) of Italian Law 262 of 28 December 2005 and art. 1(77)(b) of Italian Law 190 of 6 November 2012 and art. 12 of Italian Law 69 of 27 May 2015.

#### *4.6 Gifts, gratuities and other benefits*

Gifts that exceed the scope of standard business practices or common courtesy may not be given or received when performing any activity relating to the Somec Group .

Any gifts offered should be submitted to the company's supervisory body for appropriate evaluations.

In private relations, including non-business relations with public officials in the performance of their duties, employees shall not exploit or mention the position they hold in the administration in order to obtain benefits that are not due to them or engage in any other conduct that may harm the image of the administration<sup>27</sup>.

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<sup>27</sup> This principle is set forth in Italian Presidential Decree No. 62/2013, and is also aimed at preventing corruption within the sphere of the public administration.

## **5 IMPLEMENTING THE CODE OF ETHICS**

### *5.1 Whistleblowing*

Every person who works in the name and on behalf of the Somec Group is considered as an active partner in promoting the values of the Code of Ethics. Therefore, any person who becomes aware of a breach of the principles of the Code of Ethics is required to report it, as required by the adopted Procedure. Whatever the channel used to make the report, the parent company and each Group company undertakes to safeguard the anonymity of the complainant and to ensure that the complainant is not subject to any form of retaliation.

### *5.2 Breaches and penalties*

The parent company and each Group company undertake to punish conduct that is at odds with the values and principles set out herein. Sanctions are imposed through the bodies of the above-mentioned entities, depending on the seriousness of the infringements committed, in compliance with procedures set out in the workers' Statute of rights.

Breaches of the Code of Ethics by consultants or external collaborators shall be reported to top management.

### *5.3 Transmission of the Code of Ethics*

In order to ensure an extensive and correct knowledge of the above rules of conduct, this Code of Ethics shall be brought to the attention of all employees and collaborators in the Somec Group through ad hoc communication activities.