

CODE OF ETHICS



Cavagna Group - Corporate Governance

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INDEX

Section I – Why a Code of Ethics for the Cavagna Group?	5
1 What is it for?	5
2 To whom is it Addressed?	5
3 How is it Made Known?	6
Section II – Principles and Values	8
1 Ethical, Social or Contractual Significance?	8
2 Ethical Behaviour	8
3 How Do We Safeguard our Corporate Assets and Data Confidentiality?	10
4 Respect of Legality	12
5 Commitment to Dialogue.....	12
6 Sponsorships.....	13
7 Freedom of Association and Collective Bargaining	13
Section III – Our Collaborators	14
1 The Strategic Value of our Collaborators	14
2 Protection of the Individual	14
3 Protection of Equal Opportunities	15
4 Respect for the Work of Others (Regardless of Hierarchy)	16
5 Equal Behaviour towards all Collaborators	16
6 The Importance of Training	17
7 Safeguard of Physical and Moral Integrity	18
8 How Do We Behave at Work and in Private Life?	18
9 The Role of Communication	19
10 The Role of Collaboration.....	20
11 Importance of the Private Sphere and Family Protection	20
12 Use of Corporate Assets.....	20
13 Conflicts of interest	21
14 Trasparency and Tracebility of all Transactions	22
15 Abuse of Alcoholic or Narcotic Substances and Smoking Ban	23
Section IV – Our Customers	24
1 Who Are our Customers	24
2 Attention to our Customers Needs.....	24
3 Information and Support to our Customers	25
4 Prevention of the Controversy.....	25
5 Corruption Ban	25

Section V – Our Suppliers.....	26
1 Who Are our Suppliers?	27
2 How Do We Select and Evaluate our Suppliers?	27
3 Corruption Ban	27
Section VI – Our Competitors	28
1 Antitrust Compliance.....	28
Sections VII – Relations with Institutions, Associations and Local Communities	30
1 Political Organizations and Unions	30
2 Public Officers.....	30
3 Institutional Authorities and Public Administration	30
Section VIII – The Territory and the Environment.....	31
1. What Do We Do for our Territory?	31
2. What Do We Do for the Environment around Us?	31
Section IX – Implementation of the Code of Ethics	33
1. Who Has Approved the Code of Ethics and Controls the Compliance with it?	33
2. What Happens in Case of Violation of the Code of Ethics?	33
3. Internal Whistle-Blowing System.....	34

Section I – Why a Code of Ethics for the Cavagna Group?

1 What is it for?

The complexity of the situations where the “Cavagna Group®” is operating, the challenges of sustainable development and the need to take into account the demands and requests of all legitimate carriers of business interest (“Stakeholder”), reinforce the importance of clearly defining the values and responsibilities that the “Cavagna Group®” recognizes, accepts, shares and assumes, contributing to build a better future for everyone.

The Group has therefore decided to formalize those principles and rules that have always distinguished its approach to the world of work. The Code of Ethics defines with clarity and transparency the values and the policies of conduct to which the group must comply. This Code will become a Behavioral Vademecum that every Collaborator must respect while performing his/her work.

The Group closely adheres to these principles, not only as a matter of ethics, but also because this reduces exposure to legal risk and contributes to a positive reputation.

2 To whom is it Addressed?

The Code of Ethics is addressed to all the people who, within the scope of their duties and responsibilities, work in Italy and abroad in various ways with and for the Group: the Collaborators (meaning employees, temporary employees, interns, consultants and, in general, people acting on behalf of the Group and / or on its behalf), the Directors, the Shareholders of all the companies belonging to the Group. The observance of the Code of Ethics is of fundamental importance for the Group’s efficiency, reliability and reputation. These are factors that make

the Code of Ethics a decisive asset for the Group's success and for the improvement of the social context in which it operates.

3. How is it Made Known?

The Group aims to concretize the values and principles contained in the Code of Ethics by taking responsibility towards its stakeholder (internal and external) with the purpose of strengthening corporate spirit, cohesion and collaboration. The Group is therefore committed to informative and training activities on the contents of this Code with the purpose of:

- promoting and strengthening the sharing of recognized values;
- divulging the rules, procedures and practices to be followed;
- increasing the sharing and awareness of moral integrity in all collaborators;
- extending the consensus to the basic principles of the Code of Ethics. The Group also undertakes to raise awareness of the Code of Ethics in all the Stakeholders, expressly requesting their constructive contribution for the principles and contents, and taking into account the suggestions and observations that may arise with the aim of confirming or supplementing this Code.



1 Ethical, Social or Contractual Significance?

This Code formalizes those ethical principles that are considered general and mutual within a community like that of “Cavagna Group®”. Its purpose is not to influence the orientation of individual ethics, but to share values that must permeate the activities related to the “Cavagna Group®” in a univocal way.

This Code indicates how the work of the “Cavagna Group®” must be characterized, both within the Group, between colleagues, and outwardly, towards external counterparts. The observance of the principles herewith included is not compulsory in personal and private life.

The Code of Ethics is an integral part of the contractual relationships in existence with the employees, the customers and the suppliers. All the Collaborators, in various ways, commit to:

- Act and behave according to the Code of Ethics;
 - Report any violation to the Code of Ethics as soon as they become aware of it;
 - Cooperate in defining and respecting internal procedures designed to implement the Code of Ethics.
 - Consult with their own manager, or bodies in charge in relation to the parts of the Code of Ethics that require interpretation or guidance.
- “Cavagna Group®” has preferred to cooperate with third parties (meaning all those who are not collaborators, directors, members) who adhere to this Code.

2 Ethical Behaviour

Taking inspiration also from the International Bill of Human Rights enacted by the United Nations, this Code summarizes the key values that must inspire the behaviour of people acting in the name and on behalf of the Cavagna Group® (the “Collaborators”). Such values align with the principles promulgated by the United Nations Global Compact regarding

the following themes:

- Human rights;
- Work;
- Environment;
- Fight against corruption.

3. How Do We Safeguard our Corporate Assets and Data Confidentiality?

Material assets, Intellectual Property rights and personal data are a vital part of the corporate assets of “Cavagna Group®”, essential for its future development. Appropriate legal and technical cautions, including raising awareness in all the collaborators and organizing their training, are exercised to ensure that their behaviour is the first and most effective defence tool.

The information, data and knowledge gained, processed and managed by the employees in the exercise of their work must remain strictly confidential and appropriately protected. They cannot be used, communicated or disclosed (either internally or externally), with the only exception of disclosure in compliance with existing contracts, current laws, and business procedures. The Confidential Information that cannot be divulged nor communicated, is, by way of example and not limited to:

- business, strategic, economic, financial, accounting, commercial, management and operational plans;
- projects and investments;
- personal data, such as individual contracts, absences, attendance, leave, sickness and remuneration;
- performance and productivity business parameters, production problems;
- corporate agreements, agreements, negotiations and trade agreements;
- Details of claims or customers’ complaint, administrative processes and legal actions;
- The know-how relating to the manufacturing, development and marketing of products, services, processes and patents;
- methods and production strategies;
- databases such as Suppliers, Customers, Employees;
- the results of the professional activity of each Collaborator, including ideas, inventions, programs, process refinements, improvements;
- all client specifications, related documents, confidential correspondence, price lists;

- In general, any further information learned in the course of or during the activity for a Group Company

Each Collaborator must keep all information confidential and must avoid the disclosure of the information he or she manages in the course of his/her duties, including disclosure to colleagues that are not involved in the project and third parties. In case of Confidential Information and business information requests from external parties such as friends, private individuals, journalists, financial analysts and investors, Collaborators must refrain from providing information, reserving to address the request to the relevant corporate function and if they know or suspect that confidential and property information has been improperly disclosed, they should report immediately to the competent function.

Each Collaborator takes great care in not sharing nor disclosing confidential information unless a non-disclosure agreement (NDA) has been signed and only if there is a valid business reason for sharing such information.

All the care and precautions that each Collaborator take to protect confidential and proprietary information are the same as those applied to the data that customers and suppliers share with Cavagna Group.

The Cavagna Group manages documents containing business and that of its partners in a safe and secure manner. In accordance with applicable laws and agreements with its partners, the Group stores and/or destroys documents that it receives in the course of its business. Each Collaborator has been informed that the knowledge developed in collaboration with the Group constitutes a fundamental resource of the same, and as such it has to be protected, even after the termination of the relationship with the Group, in accordance with current and/or previously assumed contractual commitments.

Regarding in particular personal data, the Group is aware that they acquire day by day more and more value and they have also become the subject of purchase and sale activities. Anyway, Personal data are about people and the Group wants to protect the privacy of every person involved in its processes.

For this reason, the Group only acquires, processes, uses and retains personal data that are necessary for the conduct of its business

operations, in compliance with the privacy laws of the countries where the Group operates.

Therefore, each Collaborator has been trained to be able to consciously and correctly manage the personal information he/she processes, respecting the Data Protection Law and the European Regulation (GDPR).

4. Respect of Legality

The respect of legality is fundamental to civil coexistence: in the social environment, in the family, in groups of friends. It is not an abstract concept, but it is realized through laws and the maintenance of fundamental and working values that influence the life of a community. Pursuing legality means respecting the rules of a social pact that is not always written, but is fundamental to civil coexistence. Therefore the Collaborators should not only respect the laws of the Country they are living in, but also the rules imposed by the Group, which should be followed in the conduct of their work.

Each Collaborator is obliged to abide by the laws in force in the countries he/she operates in; in no case the pursuit of the Group's objectives can justify an unfair conduct, in violation of shared laws and ethical principles. All those who, in a variety of ways, collaborate or interact with the Group, are therefore required to know and respect the laws and regulations in force in their countries, within their respective competences.

Practices and attitudes related to attempting or participating in fraud are prohibited without exception.

The Cavagna Group does not tolerate any form of bribery or corruption and prohibits anyone acting on its behalf from giving or accepting bribes, directly or indirectly.

5. Commitment to Dialogue

Working in a group means working together for the same purpose.

There are no outsiders or freelancers in a group, everyone has the duty to cooperate with colleagues in an open and proactive way and to confront with superiors in order to act in compliance with shared

directives.

For this reason, the Group invites its Collaborators to communicate with each other, to exchange information and to discuss together all that needs to be done together by the various functions. Moreover, dialogue can help reduce delivery times and it avoids duplicated or uncoordinated work.

6. Sponsorships

“Cavagna Group®” has always believed in cultural, sports and social sponsorship, both as a strategy of image promotion and as a social responsibility towards the territory and the community. The resources and the energies invested in the social field, help improve the living conditions of disadvantaged people. The resources invested in sports can educate everyone to target-oriented work, to be ambitious in order to improve their performance, to work in a team and to struggle in order to achieve important goals. The sponsorship of cultural events, in particular, is a means of promoting the growth of society.

7. Freedom of Association and Collective Bargaining

The Group recognises, as far as legally permitted, the right of free association and collective bargaining of all the employees.

1 The Strategic Value of our Collaborators

The group has grown day after day thanks to the commitment and perseverance of its Collaborators.

Its “Collaborators” means each and every collaborator, because everybody in his or her role has always been committed to global development.

The Group could not exist without its Collaborators and it is fully aware of this. For this reason, the Group promotes moments of constructive discussion and the involvement of its collaborators in important decisions for the achievement of strategic goals; by doing so, and after listening to the various points of view, the Managers can make correct and thoroughly considered decisions.

Collaborators are required to take an active part in these moments in a spirit of cooperation and with independence of judgment, and then contribute to the implementation of the agreed activities.

2 Protection of the Individual

The Group wants to ensure the respect of human rights and the protection of individual dignity. The Group therefore forbids any form of exploitation of labour or abuse. Furthermore, it is forbidden to give rise to harassment or attitudes that may be attributable to mobbing practices, as well as to practice any form of discrimination, violence or harassment (both sexual and personal, religious and cultural). In particular:

- It is promoted the creation of ad work environment and it is not tolerated discrimination based on race, color, religion, gender, gender identity, national origin, age, disability, pregnancy or sexual orientation.
- It is forbidden to create an intimidating, hostile, isolating or, in any case, discriminatory workplace for individuals or groups of workers;
- Put in place any undesirable behaviour with sexual connotation or any other kind of gender discrimination that offends the dignity of women and men in the workplace, including physical, verbal or non-verbal attitudes;

- It is not allowed to hire people with an earlier age than that provided for by local laws regarding compulsory education. The Group guarantees young workers all the rights set forth by local laws, with particular attention to time, health, safety and working conditions; it also protects them against any work that is potentially dangerous, which may interfere with their education, or which may be detrimental to their physical, mental or social well-being;
- It is forbidden to use irregular or forced labour, and it is therefore compulsory to ensure that the maximum number of working hours is in accordance with local laws. Workers are free to accept overtime work, and this is regularly paid according to the rules. Moreover the Group refuses any form of threat, harassment, physical or mental punishment, and forbids that such practices may be adopted by its workers;
- Each worker is free to terminate the employment relationship by giving notice as provided for by the law or by the employment contract;
- In the management of hierarchical relationships, the Group undertakes to ensure that authority is fairly exercised, avoiding any abuse.

3. Protection of Equal Opportunities

The Group believes that each Collaborator has some potential that can be expressed through the valorisation of each person's abilities and skills: this allows everyone to progress over time. For this purpose, anyone who has a responsibility role (HR in the first place) must:

- Understand the skills and attitudes of the candidates during the selection phase and assess if they are compatible with the needs of the Group;
 - Set the career path, taking into consideration both the type of work and the economic package; according to criteria based on merit and ability, dedication to the interest of the Group and professional competence;
 - Select, hire, train, pay and deal with the Collaborators without favouritism and discrimination, so that everyone can enjoy fair and equal treatment, regardless of gender, race, nationality, age, political opinions, religious beliefs, sexual orientation, health, economic or social conditions,
 - Ensuring equal opportunities for each Collaborator.
- Access to roles and assignments is granted based on individual skills

and capabilities.

Managers are required to create an inclusive environment in which different backgrounds and viewpoints are respected and valued.

4. Respect for the Work of Others (Regardless of Hierarchy)

All Collaborators play an important role, each in his/her own functions. This is valid regardless of anyone's single job. Managers must value the work time of their collaborators, requiring them to carry out activities that are consistent with the performance of their duties and work organization plans; collaborators, on the other hand, are committed to respecting working hours by limiting absences from the workplace to those that are strictly necessary, so as not to improperly overburden the work of others.

Managers are not allowed to ask the performance of services or any other kind of favour to their direct Collaborators, as this is considered an abuse of their authority. Any Managers' behaviour that constitutes a violation of this Code of Ethics is forbidden, as well. It is furthermore forbidden to impart incorrect, misleading or incomplete work directives. It is prohibited to omit information that can allow the proper execution of the various tasks assigned. It is forbidden to interfere in an unjustified and excessive manner in the execution of the performance of others' work. It is forbidden to hinder others' work opportunities due to personal or other collaborators' competitiveness. It is required to adopt a respectful and sensitive behaviour towards others.

5. Equal Behaviour towards all Collaborators

Collaborators are hired with regular job contracts. When establishing the business relationship each Collaborator receives accurate information about:

- Characteristics of the department and tasks to be performed;
- Regulatory and remunerative elements, as regulated by the CCNL (National Labour Contract) and by the results of second level negotiations;
- The rules and procedures to be adopted in order to avoid health and safety risks associated with work;

- Confidentiality obligation and prohibition from divulging the confidential information learned during the performance of their work, the so-called “business secret”;
 - Documentation relating to the processing of personal data.
- Such information is submitted to the Collaborator so that he/she can accept the position having received an appropriate training and with an effective understanding of the same.

6. The Importance of Training

A trained Collaborator is a prepared Collaborator, and it is the best thing an organization can ask for. Only experienced Collaborators can find the right solutions and know how to take on situations calmly and with determination. We believe that training is an ‘intangible’ investment that gives people value, with technical and personal tools to support the activities of the Group. All this without providing solutions but tools to reach the best answers. For this reason too, the Managers are required to communicate to their Collaborator their strengths and weaknesses, in order to enable them to improve their skills, also through targeted training.

This allows the increase of the collaborators’ competence, so that the managers have a trained and available team of professionals (also thanks to job rotation, mentorship with experienced personnel, experiences aimed at covering more responsibilities, etc.).

Health and Safety Protection at Work

The Group takes inspiration from the acquisitions of the best science and experience to ensure that each Collaborator is in the conditions to operate in absolute safety. The Collaborators’ health is not only intended as an absence of illnesses but also as a status of psychic, physical and social well-being, which can be guaranteed also through technical and organizational actions:

- Adapting the work to the single Collaborator, in particular with regard to the organization and concept of the job, the choice of equipment, working and production methods. Excessively repetitive activities must be avoided in order to reduce their adverse health effects. The criteria governing this sphere is always the optimization of work, which allows to relieve Collaborators in all business functions: choosing suitable equipment, organizing personalized jobs, adopting work–

related and production-compatible working methods;

- Introducing an integrated system of risk and safety management;
- Implementing a continuous analysis of: the risk, the criticality of the processes, the resources to be protected;
- Following the technical evolution;
- Replacing what is dangerous with something that is not (preferably) or, if this is not possible, with something less dangerous;
- Checking and updating working methods;
- Planning health protection so that individual, technical, organizational and social aspects and all their interactions are considered together;
- Educate Collaborators regarding the importance and the obligation to use the personal protective equipment;
- Training Collaborators appropriately regarding the general principles and procedures outlined above: this involves instruction on how to apply the same and on their monitoring and training at all hierarchical levels.
- Accepting only authorized and trained workers at any workplace.

7. Safeguard of Physical and Moral Integrity

Our Collaborators spend more time at work than at home and so we have invested a lot in making the workplace safe, comfortable, and propaedeutic to the well-being of the physical person.

This is also due to the microclimate system (where existing) that governs the working environments, so as to make them in line with conditions that are not too far from ideal conditions of the human body, where the thermoregulation system is able to operate the necessary adjustments for the physical well-being. The well-being of the worker in the workplace is also ensured thanks to the presence, where available, of a company canteen, chosen on the basis of the quality of the raw materials, the cleanliness and the strict compliance with hygienic sanitary standards.

8. How Do We Behave at Work and in Private Life?

A positive image and reputation of the Collaborators is an immaterial resource, essential for the Group's functioning and it is therefore vital

for the respect of the commitments and the ethical aims expressed in this Code. An inappropriate or low-level language is not tolerable, with particular reference to religious or sexual insults. It is preferable to avoid using extreme expressions, both in verbal and emotional demonstrations, which do not respect the working environment. It is forbidden to address a colleague in an offensive, threatening or unethical manner, or not taking into consideration one's sensitivity. All subjects are committed to maintaining mutual respect and reciprocity, courtesy and good education, safeguarding the confidentiality of other people's personal information. All Collaborators are required to maintain an appropriate, professional and decent clothing both inside the company and during business trips or journeys. The Collaborators' clothing must be fit for their job and position in the company and must be respectful of the counterparts' diverse customs and traditions. Collaborators can promote themselves and the Group through the social media, but only with contents in line with corporate principles and values. On the other hand, they must avoid the publication of untruthful or misleading information both in relation to their role and to the structure of the Group; if in doubt at this regard, please contact the Group Marketing Department or consult the rules set forth on the Cavagna Group®'s Social Media Policy available on the website of the Group.

9. The Role of Communication

Communication is at the foundation for every kind of human relationship, both personal and professional. It is impossible not to communicate. We also communicate involuntarily. It is also important to take care of the communication within and outside the group. The inward communication aims at bringing the Collaborators together by creating an integrated communication system that can guarantee:

- To share the mission, values, goals and business behaviours; communication circularity, satisfaction and motivation;
- A sense of belonging and identification;
- The productivity and quality of the service;
- The organizational progress and corporate culture's development;
- The knowledge of products, processes, work procedures, etc.

External communication, which also includes the divulgation of news related to the Group, is reserved exclusively to the functions with this

specific task. Collaborators called to provide any kind of news regarding the Group's objectives and activities in the event of:

- conferences, fairs, events;
- public interventions;
- Presentations to clients and suppliers;
- Editing of publications in general;

are required to agree the declarations contents and/or interventions with the functions with this specific task (Marketing and Legal Department) and in accordance with the company policies.

10. The Role of Collaboration

Team goals must be achieved in the Group: this means that it is essential to build groups of people that can coordinate internally and do not waste time in conflicts. These groups can optimize the timings and have always in mind the purposes that need to be achieved. The Group demands full cooperation from its Collaborators, which is facilitated by the dissemination of one's information to his/her colleagues.

Furthermore, the Group demands that each Collaborator carry out his/her job in accordance with the tasks, objectives and responsibilities assigned without delegating to other Collaborators the performance of activities or the adoption of decisions on their behalf.

11. Importance of the Private Sphere and Family Protection

In accordance with general job efficiency, some flexibilities in work organization are supported and implemented in order to facilitate maternity/paternity leave (and childcare in general), as well as parental and/or close relatives (i.e. siblings) care.

12. Use of Corporate Assets

Each Collaborator must respect, protect and preserve the valuable items, resources and assets assigned to him/her, respecting their destination of use and as to preserve their maintenance and functionality. Collaborators must avoid improper use that can damage the corporate assets and that is in contrast with his/her job or with the interests of the

Group. That means that every Collaborator is prevented from using the Group's assets for personal purposes. Goods belonging to Cavagna Group that have been entrusted to the Collaborator must be used by him/her solely and exclusively for the performance of his/her work duties. Each Collaborator is considered directly and personally responsible for the protection and conservation of the goods and resources provided to him for the execution of his/her tasks. Business credit cards are included and, except for expressly authorized cases, they should be used only for the payment of the following, according to the policies in force:

- Transport tickets, if not provided by the travel manager;
- Training courses;
- Books;
- Booking, hotel and/or restaurant charges;

The Credit Card is a strictly personal means of payment and can only be used by the holder who is authorized by the issuing company. For the use of IT tools (including laptops and palmtops), it is required to comply with the Group's specific regulation and specific IT safety procedures, avoiding any behaviour or action that could damage the safety and functionality of the company Network and business equipment.

The use of the Group's assets are subject to the rules explained in Cavagna Group®'s Code of Conduct.

B. Conflicts of interest

Each Collaborator is aware that he/she may not mix his/her personal affairs and interests with those of the Group. Cavagna Group avoid conflicts of interest or even the appearance of a conflict of interest but recognizes and respects the right of its Collaborators to participate in investments, business or other activities outside the group's interests, provided that they are legally permitted and compatible with the obligations assumed towards the Group itself. In cases where the activities are in conflict with the working obligations of the Collaborator, any action must be refused, unless the Business Unit Manager (identified in accordance with the rules of the Governability) has been previously notified and has given his/her approval. Regarding occasional or free-of-charge jobs, other than those provided to the group itself, the group does not impede their execution provided that this does not hinder the fulfilment of the working obligations and only if such activities do not

affect the interests or the reputation of the Group itself.

Conflicts of interest also occur in the following situations:

- Using one's role in the company or the information or business opportunities gained in the exercise of one's duties, for his/ her or third party's own benefit,
- The Collaborator and/or his/her family members working for suppliers, sub-suppliers, customers and competitors.

14. Trasparency and Traceability of all Transactions

The Group promotes the values of transparency, accuracy and completeness of the accounting information and strives to establish a reliable accounting and administrative system in correctly representing the management facts and in providing the tools for identifying, preventing and managing financial and operational risks, as well as fraud against the Group or third parties. Accounting records must be based on accurate, truthful, complete, and verifiable information that reflects the nature of the transaction to which they relate in observance of external constraints (law, accounting principles) and internal procedures.

Therefore, the Collaborators of each business function have the obligation, in the performance of their duties, to properly and timely represent the relevant management information; in order to allow the administrative-accounting system to achieve precise objectives:

- To produce economic, patrimonial and financial situations of each group company in a timely and accurate manner, both for internal use (i.e. reporting for planning, control, analysis of specific events required by management, etc.) and for external use (budgets, information documents, etc.);
- Provide tools to identify, prevent and manage, as far as possible, financial and operational risks and frauds against the company or third parties, even in relation to the use of public financings;
- The identification of different levels of responsibility;
- The accurate reconstruction of the operation;
- Carry out controls that allow the reasonable safeguarding of asset value and the protection against losses.

All Collaborators must always provide all necessary supporting documentation to allow for objective analysis and verification.

Collaborators, who are aware of any falsification in the accounting or in the documentation the accounting records are based on, must report the

news to their Manager or to the involved business function.

15. Abuse of Alcoholic or Narcotic Substances and Smoking Ban

All Collaborators must contribute personally to promoting and maintaining a climate of mutual respect in the working environment, with particular attention to the conditions of respect for the others sensitivity. Being under the influence of alcoholic substances, drugs or substances of similar effect, during work and in the workplace is considered as conscious assumption of the risk of compromising such environmental characteristics. Chronic addiction states, when they affect the working environment, will be considered

–for contractual consequences, similar to previous cases; “Cavagna Group®” is committed to implementing the actions provided for by the employment contracts at this regard.

The Collaborators are forbidden to:

- Hold, offer or provide anybody with drugs, narcotics or substances of similar effect, during work and in the workplace;
- Render their services under the influence of alcoholic, narcotics or substances of similar effects that could lead to harm themselves, their colleagues or the business assets;
- Smoke in the workplace.

“Cavagna Group®” promotes voluntary initiatives for people who want to stop smoking, identifying a smokers’ corner. Furthermore, the “Cavagna Group®” takes into particular consideration the condition of those who feel physical discomfort for the presence of smoke and asks to be protected from contact with “passive smoking” in their workplace.

“Cavagna Group®” pursues its business success on the markets offering quality products and services on competitive terms and in compliance with all the standards for the protection of fair competition.

The Group undertakes to respect the right of consumers not to receive harmful products for their health and physical integrity and to get complete information on the products offered to them (traceability). The Group also recognizes that the esteem of those requesting products or services is of primary importance for success in business and therefore it establishes constructive and collaborative relationships with customers. Therefore, all the Collaborators must:

- Develop and maintain favourable and long-lasting relationships with customers, based on professionalism, honesty, efficiency, collaboration and courtesy;
- Respect the commitments and obligations assumed;
- Operate within the scope of current legislation and require it to be respected.

1 Who Are our Customers

Our customers know us very well; we work with some of the best organizations around the world. These companies are mainly in the B2B sector and have recognized the strategic value of the partnership with the “Cavagna Group®”.

2 Attention to our Customers Needs

We are willing to meet the needs of our customers and to protect their interests, listening to their requests that can improve the quality of our products and services even more.

We are very careful about meeting our customers’ expectations, offering both a full and wider range than that of competitors for each product category, always providing a competitive quality/price ratio, and

identifying all product and service innovations that can anticipate the needs and improve the life conditions of clients and of the community. The Group's strong respect for its customers and values will never be sacrificed for the mere pursuit of success.

3. Information and Support to our Customers

All Collaborators are required to provide accurate, complete, truthful and timely information. In this way, the Customer can make a conscious and well-informed decision. This also includes the disclosure of the principles of this Code to the Customers and the subsequent behavioural rules.

4. Prevention of the Controversy

The high standards of quality and the flexibility to accommodate the needs of customers lead to an irrelevant controversy rate.

5. Corruption Ban

The Group expressly prohibits any conduct by any person involving the promise or offer, directly or indirectly, to the counterparts working for our customers (or potential customers) any gifts and benefits (money, goods, services, benefits, favours or other benefits). It is forbidden to offer gifts or courtesy and hospitality to customers (or potential customers), except if their modest value does not compromise their integrity and independence, and only if such expenses are authorized and duly documented.

The Collaborator who is offered gifts that cannot be attributed to normal and correct courtesy relationships must directly inform his/her Manager or the interested function and refuse.

This rules shall be applied also when it is involved a family member of any Collaborator.

Section V – Our Suppliers

“Cavagna Group®” is committed to seeking in the Suppliers and external collaborators suitable professionalism and commitment to sharing the principles and contents of the Code. The Group also promotes the construction of long– lasting and accurate reports for the progressive improvement of performance in the protection and promotion of principles and contents of the Code.

In case of tenders, procurement activities and, in general, in case of supply of goods and/or services and external collaboration (including consultants, agents, etc.), all Collaborators are required to:

- Observe internal procedures for selecting and managing the relationships with Suppliers and external collaborators;
- Do not preclude any person in possession of the required conditions from being able to compete in order to win a tender for supplying the “Cavagna Group®”;
- Adopt objective evaluation criteria in the selection proceeding, in a clear and transparent manner;
- Establish efficient, transparent and collaborative relations, maintaining an open and free dialogue in line with the best business practices; timely report any possible violations of the Code to their Manager ,
- Get the collaboration of Suppliers and external collaborators in constantly assuring the satisfaction of Customers and consumers needs to an extent appropriate to their legitimate expectations in terms of quality, cost and delivery time,
- Require the application of contractual terms and conditions;
- Inform the suppliers of the principles of the Code of Ethics itself and receive their acceptance and acknowledgement;
- Operate within the scope of current legislation and require it to be respected;
- Objectively evaluate the performance of suppliers and contractors underlining any issues and strengths that arise in the execution of the work;
- Do not give out gifts or acts of courtesy and hospitality towards Suppliers (or potential ones), except as far as their modest value does

not compromise their integrity and independence, and only in case these expenses are duly authorized and documented.

1 Who Are our Suppliers?

With the term “Suppliers” we mean all contractual counterparts who provide us goods and/or services and who are for this reason remunerated by us.

2 How Do We Select and Evaluate our Suppliers?

The choice of Suppliers (contractors included) for the purchase of goods and services is carried out by the dedicated departments not only on the basis of economic criteria, but also carefully evaluating their characteristics, without any discrimination and prejudice and over a significant period of time, such as: technical and organizational capability, ability to carry out the required activities, respect for the environment, compliance with the requirements (provided for by laws as well as by contractual terms) that are applicable to the products supplied, financial fitness.

The Cavagna Group ensures that its Suppliers are organised to act in compliance with the law. Furthermore, these Suppliers are required to adopt the values that the Cavagna Group is committed to respecting, which are set out in this code.

3 Corruption Ban

“Cavagna Group®” condemns any behaviour by any person that involves promising or offering, directly or indirectly, to suppliers and contractors (or potential ones) gifts and benefits (money, goods, services, benefits, favours or other benefits).

“Cavagna Group®” also prohibits Collaborators from accepting gifts or benefits that cannot be attributed to normal courtesy relationships; in this case, Collaborators must inform directly their Manager or the interested function and refuse.

1 Antitrust Compliance

The Group considers it essential that the market is based on fair competition; therefore, we are all committed to strict compliance of competition and market protection laws in any jurisdiction, and to cooperate with market regulatory Authorities. No Collaborator can be involved in initiatives or contacts with competitors that may appear as a violation of the provisions for the protection of fair competition and market (for example –not exhaustive list: agreements on prices or quantities, subdivision of markets, production limitations, link arrangements, etc.).

The Group asks its Collaborators to be alert to inappropriate conversations in which they may be involved by a competitor and to report to their Manager if they suspect that they have been involved in illegal conversations or conduct.



1 Political Organizations and Unions

Cavagna Group does not make any kind of direct or indirect contributions to political parties, movements, committees and union organizations, their representatives and candidates, except for those provided by specific regulations.

2 Public Officers

Cavagna Group does not seek to gain or give an unfair advantage by providing bribes or kickbacks. Collaborators must not promise, offer or accept payments or material gifts to/ by public officers in order to promote or favour the interests of the Group, unless such act can be considered as a business courtesy of small value and cannot be interpreted as an improper pursuit of their personal benefit or the group's benefit. In case of offers/proposals from public officers, the Collaborator must report to his/her Manager or to the competent function and refuse.

3 Institutional Authorities and Public Administration

In the course of the relationships (contacts, requests, negotiations, tenders, etc.) with the Public Administration, it is not allowed to the Group's internal or external personnel to try to improperly influence the decisions of the counterparty. Collaborators are forbidden to:

- Examine or propose job and/or business opportunities that can benefit the Public Administration subjects;
- Solicit or obtain confidential information that could compromise the reputation or integrity of one or both parties;
- Promise or pay monies, promise or grant goods in kind or other benefits to public officers on a personal basis, with the aim of promoting or favouring the interests of the Group, also through unlawful pressures. No Collaborator may elude these instructions by using different forms of helps or contributions that, even in the form of sponsorships,

assignments, consultations, advertising, etc., have the same forbidden purposes.

It is always required to operate within the scope of rules and of the correct commercial practices, respecting the competition rules.

Section VIII – The Territory and the Environment

1. What Do We Do for our Territory?

We are an internationally renowned industrial group and we are aware to play a relevant role with regard to economic development, to the market in which we operate and the well-being of the people working or collaborating with the “Cavagna Group” and of the communities where the Group is present. For this reason, we intend to carry out our investments in the respect of local and national communities and support initiatives of cultural, social and sports value aimed at improving personal reputation and social acceptance.

2. What Do We Do for the Environment around Us?

The Group considers the safeguard of the environment as the focus of its strategies and choices, in compliance with all applicable laws. In this sense, the Group commits to work in full compliance with existing national and international standards and to adhere to a sustainable development model, ensuring the adoption of: all measures and technologies capable of minimizing environmental impact, maximum energy efficiency, prudent management of natural resources, waste reduction and recovery, containment of polluting emissions. All collaborators have been recommended to be responsible for the environment, paying particular attention to the recycling of operational materials as paper, plastics and toners, for example, possible reuse and energy savings even in work areas, using structures of integrity necessary for carrying out work such as air conditioners and lighting, making use of *car sharing* whenever possible. With the purpose of minimizing the environmental impact, the Group has given the following advice to the Collaborators regarding the usage of their cars,

- limit the use of air conditioned;

- remove all the unused accessories that worsen the car aerodynamics, such as bicycle, luggage and roof racks;
- check the pneumatics pressure, as under-inflated pneumatics may provoke an increase in fuel consumption;
- respect the speed limits;
- do not overload the car;
- start the engine only when you are ready to leave and turn off the car in case you need to stop for more than 3 minutes.

Section IX – Implementation of the Code of Ethics

1. Who Has Approved the Code of Ethics and Controls the Compliance with it?

The Shareholders and Directors have approved the Code of Ethics. This Code must be followed and respected by all the companies of the Group itself. The Directors are the ones in charge of verifying the compliance with the Code of Ethics by all the Collaborators and of intervening in case of violations.

2. What Happens in Case of Violation of the Code of Ethics?

This Code is an integral, substantial and essential part of the contractual obligations of those who have relations with the companies of the Group, and in particular of the Collaborators.

Everyone is required to read and respect this Code of Ethics and to comply with all the applicable laws and policies and with the directives of the group. All Collaborators are therefore committed to:

- Comply with a moral integrity that must set an example for all other Collaborators;
- Ensure the application of the Code of Ethics through appropriate disciplinary measures;
- Not to ignore any illicit behaviours.

Consequently, the Group requires that all collaborators and all the people related with the Group strictly comply with the dispositions contained in the Code. Non compliance with this Code could result in civil and penal responsibility at the charge of the Collaborator concerned. Moreover, the application of disciplinary measures is evaluated and proportioned based on the type and seriousness of the committed violation and considering the position of the Collaborator. Disciplinary measures may include, in

the most serious cases, interruption of the employment relationship or any other form of contract, in addition to compensation for any damage caused by the violation.

3. Internal Whistle-Blowing System

Whoever has questions about an issue that is covered in this Code or becomes aware of a violation of its contents must raise his concerns or report such violation in detail to:

- the Group HR Director, if the violation concerns one of the principles inserted in Section III, regarding our Collaborators;
- the Cavagna Group General Counsel, if the violation concerns one of the other sections.

After accurate verifications and careful analysis of the received reports, the Cavagna Group General Counsel or the Group HR Director will present the Directors with an account on each case and on the relevant verifications, so that appropriate sanctions are discussed and, in case, applied.

Reports can be sent:

–For violations concerning Section III:

- via e-mail, to the address hrodv@cavagnagroup.com. Access to this e-mail address is limited to the Group HR Director.

- via ordinary mail, to

Group HR Director

c/o Parteca

S.p.A.

Via Statale,

n. 11/13

25011 – Calcinato (BS)

Italia

–For violations concerning the other Sections of this Code:

- via e-mail, to the address odv@cavagnagroup.com. Access to this e-mail address is limited to the Group General Counsel.

- via ordinary mail, to

Cavagna Group General Counsel

c/o Parteca S.p.A.
Via Statale, n. 11/13
25011 – Calcinato (BS)
Italia

“Cavagna Group®” undertakes to ensure:

- The objective confidential investigation and the assessment of the facts and the consequent application, in the event of an established infringement, of appropriate sanctioning measures;
- Privacy regarding the identity of the reporting person;
- That no one is subjected to retaliation of any kind for providing information regarding possible violations of the Code of Ethics or of the related procedures;
- Adequate sanctioning for those who violate the measures that must be adopted in order to protect the reporting person.





cavagna group

Wherever gas is used, we are there