



Code of Ethics (pursuant to Italian Legislative Decree 231/2001)

Approved on 01/03/2018

1. PURPOSE

The purpose of this document is the definition of the legal obligations and moral values that identify the scope of the ethical and social responsibilities of each subject who collaborates with the Company; from these general principles derive rules and operating methods that must be implemented within *CHIORINO S.p.A.* by all the recipients of this document.

2. FIELD OF APPLICATION

The Code of Ethics applies to:

- shareholders;
- directors;
- managers;
- auditors;

and, if the offence relates to matters over which management has supervisory and control powers, to:

- employees;
- suppliers and subcontractors;
- consultants;

and all those who, directly or indirectly, permanently or temporarily, establish relationships or relations with *CHIORINO S.p.A.*, and work to pursue its objectives.

3. TERMINOLOGY

In this document the following terms have the following meanings:

- **Sensitive activity:** activities at risk of committing an offence, i.e. activities in which the risk of committing an offence falls within the scope of those contemplated by Italian Legislative Decree 231/01; these are activities whose actions could, in principle, configure conditions, occasions or means, even instrumentally, for the concrete realisation of the type of crime;
- **Code of Ethics:** document that contains the general principles of conduct to which the addressees must adhere with reference to the activities defined by this MODEL: it is an effective means available to companies to prevent irresponsible or illegal behaviour by those who work in the name and on behalf of the company, because it introduces a clear and explicit definition of the ethical and social responsibilities of its managers, executives, employees towards shareholders, internal and external collaborators, customers, suppliers, public bodies, etc.;

- **Legislative Decree 231/2001** Italian Legislative Decree 231 of 8 June 2001, containing the “Regulation of the administrative liability of legal entities, companies and associations without legal status, pursuant to art. 11 of Italian Law 300 of 29 September 2000”, published in the Official Gazette no. 140 of 19 June 2001 and its subsequent amendments and additions (as amended);
- **Recipients:** shareholders, directors, managers, auditors, employees, suppliers, subcontractors and all those with whom the Company may come into contact in the conduct of business relations;
- **Employees:** all natural persons who have an employment relationship with the Company;
- **Model:** Organisation, Management and Control Model adopted by the Company, which collects a mapping of the Company's sensitive activities at risk of committing the specific offence, a scheme of organisational and management procedures, with the consequent control actions (type, liability and frequency) to safeguard the risk, a cross reference between the specific offences and the document structure within the Company in support of the MODEL;
- **SB:** Supervisory Body provided for by art. 6 of Italian Legislative Decree 231/2001, with the task of supervising the functioning and compliance with the MODEL, as well as the updating of the same;
- **Personnel:** all natural persons who have an employment relationship with the Company, including employees, temporary workers, collaborators, “interns” and freelancers who have received an assignment from the Company;
- **Senior Management:** persons pursuant to art. 5, subsection 1, lett. a) of Italian Legislative Decree 231/2001, or persons that hold the functions of representation, administration or management of the Company or of one of its organisational units with financial and functional autonomy: the entire Board of Directors, non-independent directors, all those (not belonging to the Board of Directors) to whom there has been a transfer or a delegation of functions (also not registered with the Chamber of Commerce, Agriculture and Handicraft), all persons who direct peripheral units endowed with financial and functional autonomy and, in fact, those who operate in terms of domination, piloting and the ability to give the company a certain policy of participation and assertion on the market;
- **Personnel under the direction of others:** persons referred to in art. 5, subsection 1, lett. b) of Italian Legislative Decree 231/2001, or all Personnel operating under the direction or supervision of the Senior Management;
- **General principles of conduct:** the physical and/or logical measures provided for by the Code of Ethics in order to prevent the commission of Offences;
- **Specific principles of conduct:** the physical and/or logical measures provided for by the MODEL in order to prevent the commission of Offences;
- **Offences:** the offences to which the provisions of Italian Legislative Decree 231/2001 and subsequent amendments and supplements are applicable;
- **Disciplinary System:** set of penalties applicable in the event of breach of the MODEL and the Code of Ethics;
- **Company or Business:** *CHIORINO S.p.A.*

4. RESPONSIBILITY FOR IMPLEMENTATION AND UPDATING

The implementation is the responsibility of all Recipients. Amendments and additions to the Code of Ethics are implemented by the Administrative Director (AD) and authorised by the Chairman of the Board of Directors (CBD). Suggestions for amendments and/or additions may come from the Supervisory Body and all Recipients.

5. OPERATING PROCEDURES

This chapter describes the operating procedures followed by the Company for the implementation of the general principles of conduct of the Recipients of this document.

5.1. Principi Etici Generali

The Company, *CHIORINO S.p.A.*, conducts its activity in compliance with EU, national and international regulations, rejecting any illegal practice with particular attention to environmental offences and offences committed in breach of the rules relevant to accident prevention or on the protection of hygiene and health at work.

The Company does not justify any behaviour contrary to the legislation in force, to this Code of Ethics or to the internal regulations even if it is motivated by the pursuit of an interest of the Company exonerates such contrary behaviour according to the articles of its Disciplinary System [SD231].

The Company considers the performance of professional services by its employees and collaborators according to diligence, accuracy and professionalism of fundamental importance, also in order to provide customers and subjects, with whom it has relations deriving from the performance of its activity, with high quality services.

CHIORINO S.p.A. considers the following values as a fundamental reference point for the Company: seriousness, correctness and professional honesty; impartiality of treatment in carrying out any relationship, both internal and external to the Company.

The Company considers the individual, their values and rights, intangible values to be protected; the Company undertakes to avoid any discrimination on the basis of age, sex, sexual orientation, state of health, race, nationality, political and trade union opinions and religious beliefs, in all decisions affecting relations with its interlocutors.

Moreover, the Company considers its image and reputation as values that must be protected and developed also through the full dissemination, sharing and observance of the ethical and behavioural principles contained herein.

CHIORINO S.p.A. is committed to guaranteeing a working environment that complies with the current regulations on health and safety in the workplace, promoting responsible behaviour and preserving, through the monitoring, management and prevention of risks connected to the performance of the professional activity, the health and safety of all employees and collaborators. All employees and collaborators are obliged to scrupulously comply with the rules and obligations deriving from the reference legislation on health, safety and the environment, as well as to comply with all the measures required by internal procedures and regulations in order to protect their own safety and that of others.

5.2 Implementation of the Code Of Ethics

The principles of the Code of Ethics apply to Employees and to all those who cooperate in the pursuit of the Company's aims in the context of their relations with the Company.

The principles of the Code of Ethics must inspire the members of the Board of Directors of the Company in any decision or action relating to the management of the Company. The same must inspire the managers in the tangible implementation of the Company's management activity.

Employees and all those who have collaborative relationships with *CHIORINO S.p.A.*, are required to adapt their behaviour to the principles of the Code of Ethics and not to take initiatives contrary to the Code.

5.3 Value of The Code Of Ethics

Compliance with the rules contained in the Code of Ethics must be considered an integral and essential part of the contractual obligations provided for employees of the Company, pursuant to Article 2104 of the Italian Civil Code (Diligence of the employee) - note 1.

5.4 General Principles Of Conduct

5.4.1 For Employees

CHIORINO SpA provides for the widest dissemination of the Code of Ethics to employees. The Company requires its employees to know and observe, as far as it is within their competence, the prescriptions of the Code of Ethics and to promote its knowledge among the newly hired employees as well as among the third parties interested by the implementation of the Code of Ethics with whom they come into contact for reasons of their work; particular attention is paid to the dissemination and awareness of the fundamental values of *CHIORINO S.p.A.*: customer satisfaction, work quality, collaboration, efficiency and profitability, internal and external interpersonal relationships.

The Company is committed to protecting the psycho-physical integrity of employees, respecting their personality, also working to improve health and safety conditions in the workplace. Employees are required to conduct themselves in a way that constantly respects the rights and personality of their colleagues, collaborators and third parties, regardless of their hierarchical position within the Company.

Alcohol abuse or drug use, smoking

CHIORINO S.p.A. requires that each Employee personally contribute to maintaining the work environment that respects the sensitivity of others. During work and in the workplace, it is forbidden to

- supply service while under the effects of alcohol, drugs or substances of similar effect;
- use or supply for any reason drugs during work hours;
- smoking where this generates danger and in any case in work environments marked by specific indications.

Employees are required to report any breach of the Code of Ethics by colleagues, collaborators and suppliers to the Supervisory Body. The Company will consider as a disciplinary offence any unfounded report made in bad faith in order to cause damage to colleagues and/or collaborators.

Any breach of this Code of Ethics and Procedural Operating Instructions is punished pursuant to the Disciplinary System [SD231].

5.4.2 For the Suppliers of goods and services to CHIORINO

CHIORINO SpA considers behaviours contrary to the principles expressed in the Code of Ethics, as a serious breach of the duties of fairness and good faith in the performance of the contract, as well as a reason of damage to the fiduciary relationship and a just cause for termination of the contractual relationship.

Please refer to the CTCP (General Terms and Conditions of Purchase) of *CHIORINO S.P.A.*

5.4.3 To Customers

CHIORINO S.p.A., in the performance of its business and in the management of relations with Customers, scrupulously complies with the laws and principles of this Code of Ethics, as well as internal procedures, with specific attention to the customer needs.

Please refer to the CTCP (General Terms and Conditions of Purchase) of *CHIORINO S.P.A.*

5.4.4 To Suppliers

CHIORINO S.p.A. identifies and selects the suppliers of goods and services with absolute impartiality, autonomy and independence of judgement.

Among the parameters chosen by the Company for the selection of suppliers is the conscious sharing of the same ethical principles on environment, safety and quality.

CHIORINO S.p.A. in its relationships with suppliers of goods and services, operates in compliance with the regulations, the principles of this Code of Ethics and the internal procedures. Employees in charge of relations with suppliers shall proceed to the selection and management of the relevant relations avoiding situations of conflict of interest, even potential, with the same, reporting to the Company (CdD, CBD and PeO) the existence or occurrence of such situations. Failure to notify of a conflict of interest by such employees is punishable under the Disciplinary System [SD231] adopted by *CHIORINO S.p.A.*

5.4.5 In managing the preparation of the corporate accounting documents and in corporate communications

CHIORINO S.p.A. complies with the rules of correct, complete and transparent accounting, in compliance with the criteria indicated by the law and Italian accounting principles. It also carries out corporate communications in compliance with the articles of the Italian Civil Code.

In the activity of accounting for and communicating facts relating to the management of the Company, the directors, employees and collaborators are required to scrupulously comply with current legislation and internal procedures so that each operation is not only correctly recorded, but also authorised, verifiable, legitimate, consistent, congruous and prudent.

In particular, in managing the drafting of corporate accounting documents and in corporate communications, the worker acts in compliance with the principle of diligence and loyalty. Diligence means all the care and attention to be observed in the performance of the service. The obligation of loyalty consists, on the other hand, in the prohibition to disclose information concerning the organisation and its operating methods and to use the knowledge acquired in such a way as not to damage the Company.

Employees shall carry out the instructions concerning the performance of their duties or tasks which are given to them by their superiors. Should the employee deem the order to be manifestly unlawful, they shall demonstrate the reasons for the unlawfulness to the person who gave the order; if the order is renewed in writing, it is their duty to carry it out. However, the employee shall not carry out the order when the act is prohibited by criminal law or constitutes an administrative offence.

5.4.6 Towards the Public Administration and the Bodies carrying out activities of public utility or public interest

CHIORINO S.p.A. adopts, in its relations with the Public Administration and the Bodies carrying out activities of public utility or public interest, the strictest compliance with the applicable EU, domestic and company regulations.

The Company, and on its behalf any employee, collaborator or consultant, shall not seek to improperly influence the decisions of the institution concerned, in order to obtain the performance of acts in compliance with or contrary to the duties of office, in particular by offering or promising, directly or indirectly, gifts, money, favours or benefits of any kind. Any employee or collaborator who receives instructions to do so must immediately notify the Supervisory Body.

5.4.7 Towards the Supervisory and Control Authority

CHIORINO S.p.A. bases its relations with the supervisory and control authorities on the utmost cooperation in full respect of their institutional role, undertaking to promptly implement their prescriptions.

5.4.8 Protection of Privacy

CHIORINO SpA protects the privacy and confidentiality of the information and data, belonging to employees, collaborators or third parties, collected by reason of or during the performance of the working activity, and each employee and collaborator is required to comply with these principles; the management of the processing of personal data is in full compliance with current regulations.

The Recipients ensure the utmost confidentiality on the news and information constituting the corporate assets of *CHIORINO S.p.A.*, in compliance with Italian Legislative Decree 196/2003.

5.4.9 Protection of computer systems

CHIORINO S.p.A. prohibits any practice that may breach the confidentiality of its own and third party computer systems or cause damage to them, or aimed at falsifying a public computer document and/or having evidential effectiveness.

5.4.10 Transparency, reliability and completeness of information

CHIORINO S.p.A. undertakes to communicate, when and to the extent necessary, information in a transparent, reliable and complete manner to all stakeholders who are so entitled make such a request.

5.4.11 Environmental policy

CHIORINO S.p.A. pays the utmost attention to respecting the interests of the community and considers it the duty of everyone to collaborate in order to improve the quality of life and neighbourly behaviour. The Company considers the environment and nature fundamental values and the heritage of all, to be protected and defended, and to this end places the utmost effort in directing its activity to respect these principles.

5.4.12 In relations with trade unions

CHIORINO S.p.A. does not make contributions of any kind, directly or indirectly, to trade unions, nor to their representatives or candidates, except in the forms and ways provided for by the regulations in force, and bases its relations with them on principles of fairness and collaboration in the interest of the Company

and its employees.

5.4.13 In relations with Trade Associations

CHIORINO S.p.A. actively participates in the Unione Industriale Biellese (UIB), which assists the companies and institutionally represents them within the territory, as well as trade associations of its product sector.

CHIORINO S.p.A. also participates in the AldAF (Italian Association of Family Businesses) which deals specifically with issues relating to small, medium and large family businesses. The aim of the association is to facilitate Family Businesses in their continuity and transition processes, to foster their development in an era of rapid change, strong discontinuity and market enlargement.

6. OBLIGATIONS OF RECIPIENTS

All Recipients, including Entities that in any way carry out their activity in favour of the Company, are required to know the rules contained in the Code of Ethics and the reference rules governing the activity carried out, deriving from the Law or from internal procedures and regulations.

All Recipients must also explicitly accept their commitments deriving from this Code of Ethics, at the time of establishment of the employment relationship, first dissemination of the Code of Ethics or any relevant amendments or additions.

The Recipients are also required to:

- refrain from conduct contrary to the rules contained in the Code of Ethics;
- contact their superiors, company representatives or the SB in the event of a request for clarification on the methods of implementation of the same;
- report (not anonymously) promptly to their superiors, to the company contact persons or to the Supervisory Board any news, directly observed or reported by others, concerning possible breaches and any request for breach;
- collaborate with the structures responsible for verifying possible breaches;
- adequately inform any third party with whom they come into contact in the context of their work about the existence of the Code of Ethics and the commitments and obligations imposed by it on external parties;
- require compliance with the obligations that directly concern their activity;
- adopt the appropriate internal and, if applicable, external initiatives in the event of non-fulfilment by third parties of the obligation to comply with the rules of the Code of Ethics.

Every company manager is required to:

- set an example for their employees with their own behaviour;
- emphasise to co-workers that compliance with the Code of Ethics is an essential part of job performance;
- perform a control function on the correct implementation of the Code of Ethics for the areas within its competence;
- adopt, when required by the context, immediate corrective measures;
- prevent any type of retaliation.

Any breach of this Code of Ethics or Operating Procedures and Instructions defined by *CHIORINO S.p.A.* is sanctioned pursuant to the Disciplinary System [SD231] in compliance with the specialist standards (in particular the applicable national collective bargaining agreements) and art. 7 of the Workers' Statute - note 2.

Recipients are required to communicate openly and promptly any breach or attempted breach of the Code of Ethics by submitting, in order to protect the integrity of the entity, detailed reports based on precise and consistent facts.

The reports, which are not anonymous, are transmitted to the e-mail address of the Supervisory Board (**odv@chiorino.com**) in order to guarantee the confidentiality of the person making the report in the management of the report (so-called whistleblowing) as provided for by Law 179/2017 "Provisions for the protection of the authors of reports of offences or irregularities of which they have become aware in the context of a public or private employment relationship". The law is made up of 3 articles and art. 2 amended art. 6 ex Italian Legislative Decree 231/01 with the introduction of subsection 2-bis, 2-ter, 2-quater, aimed at protecting recipients who report offences in the private sector.

The Supervisory Board, in order to ensure confidentiality in the reporting process, has defined and disclosed the procedure with an indication of the certain deadlines for the start and conclusion of the investigation, as well as identifying the operating procedures for managing the reports.

7. DISSEMINATION OF THIS DOCUMENT

This Code of Ethics is brought to the attention of workers by posting it in workplaces accessible to all Staff.

In addition to compliance with posting obligations, this Code of Ethics shall be disseminated during appropriate information sessions directed at all Recipients in paper and/or electronic form.

In order to achieve maximum dissemination, this document, Code of Ethics [CE231] (in its full version and in its extracts and translations), is published on the Company's website: www.chiorino.com

NOTE

1. **Italian Civil Code - "Art. 2104: Diligence of the employee."** The employee must use the diligence required by the nature of the service to be performed, the interest of the company and the best interests of domestic production. It must also observe the provisions for the execution and for the discipline of the job, imparted by the entrepreneur and the collaborators of the latter on whom it hierarchically depends".
2. **Workers' Statute - "Art. 7. - Disciplinary penalties."** The disciplinary rules relating to the sanctions for infringements in relation to which each of them can be applied and the procedures for contesting them, must be brought to the attention of the workers by posting in a place accessible to all. They must apply the relevant provisions of agreements and contracts of employment where such exist. The employer may not take any disciplinary measure against the employee without first notifying him of the charge and hearing his defence. The worker may be assisted by a representative of the trade union association he or she belongs to or has mandated. Without prejudice to the provisions of Italian Law 604 of 15 July 1966, disciplinary sanctions involving a definitive change in the employment relationship may not be imposed; furthermore, a fine may not be imposed for more than four hours of basic pay and suspension from service and pay for more than ten days. In any case, disciplinary measures more serious than a verbal reprimand may not be applied until five days have elapsed since the matter giving rise to the

reprimand was notified in writing.

Without prejudice to similar procedures provided for in collective labour agreements and without prejudice to the right to take legal action, an employee who has been subjected to a disciplinary sanction may, within the following 20 days, also through the association in which they are a member or to which they give mandate, request the establishment, through the provincial labour office and maximum employment, of a conciliation and arbitration board consisting of one representative of each party and a third member chosen by mutual agreement or, failing agreement, appointed by the director of the labour office. The disciplinary sanction remains suspended until a decision is taken by the College.

If the employer does not, within ten days of an invitation from the employment office, appoint his representative on the board referred to in the preceding paragraph, the disciplinary measure shall have no effect.

If the employer takes the matter to court, the disciplinary sanction remains suspended until the case is settled.

Disciplinary sanctions may not be taken into account for any purpose more than two years after their implementation.