

CODE OF ETHICS

INTRODUCTION

The standards of ethics and business conduct of this document have been drawn up and distributed by Pompe Garbarino S.p.A. and their purpose is to indicate important rules of business conduct which the employees of the company and, as applicable, suppliers and collaborators must conform to.

This Code is a set of rules and guiding principles, which has the purpose of strengthening the climate of trust and positive collaboration with all those who, for various reasons, are interested in the development and in the diffusion of the values of the Company. Any form of discrimination, corruption, forced or child labour is rejected. Particular attention is paid to the acknowledgement and safeguarding of dignity and freedom, the protection of work and the freedom of association, health and safety, environment and biodiversity, as well as the set of values and principles on the matter of transparency, energy efficiency and sustainable development.

The human resources of Pompe Garbarino S.p.A., at every hierarchical level or functional responsibility, conform their actions and behaviour to the principles and to the contents of the Code, in the awareness that respect for the Code is an essential part of the quality of the work and professional service. Relations must always be based on criteria and behaviour characterised by honesty, cooperation, loyalty and mutual respect.

CONFORMITY AND INTERPRETATION

To ensure full compliance with these principles, this Code is binding for employees, collaborators and for all those who directly or indirectly, permanently or temporarily, establish relations and relationships with the Company.

Employees are required to behave in line with the principles of this Code. The recipients are required to view this document and to certify that they have read and understood it, as well as shared its content.

COMMITMENT OF THE COMPANY

Pompe Garbarino S.p.A. undertakes to adopt appropriate control systems, with the goal of ensuring:

- Maximum diffusion of the Code to recipients and third parties;
- The detailed study and updating of the document to adapt it to the development of civil awareness and of regulations that are important for the code itself;
- The checking of any report of violation of the Code or reference standards;
- Evaluation of the facts and, in the event of confirmed violation, implementation of suitable penalty measures.

OBLIGATIONS FOR ALL RECIPIENTS

The recipients are obliged to:

- Abstain from behaviour that is contrary to these standards:



- Contact their superiors, or functions in charge, in the event of need for clarification on the method of application of same;
- Promptly report any information regarding possible violation of the Code.
- Cooperate with the functions assigned to verify possible violations.

INTERNAL CONTROL SYSTEM

Pompe Garbarino S.p.A. undertakes to promote and maintain a suitable internal control system, to be understood as a set of all the necessary or useful tools to address, manage and verify the business activities with the goal of ensuring compliance with the laws and business procedures, to protect the business assets, to manage in an optimum way and efficiently the activities and to provide accounting and financial data that is accurate and complete.

The responsibility of realizing an internal effective control system is shared by every level of the organizational structure: consequently all people, within the scope of their functions and responsibilities, are committed to defining and actively participating in the correct operation of the internal control system.

Pompe Garbarino S.p.A. promotes the diffusion at all levels of procedures characterised by an awareness of the existence of controls: consequently, management first and all the people of Pompe Garbarino S.p.A. have an obligation to contribute and participate in the internal control system, making their collaborators cooperate.

PRINCIPLES OF ETHICS AND CONDUCT

-EMPLOYEES AND PERSONNEL POLICIES

➤ *Human Resources*

Human resources constitute the crucial and irreplaceable element for the existence and development of the business.

Pompe Garbarino S.p.A. undertakes to develop the abilities and skills of each employee so that the creativity and energy of individuals are fully expressed in realising their potential. It also undertakes to protect working conditions, by protecting the mental and physical health of workers and respecting their dignity.

In full compliance with legal and contractual regulations all workers are guaranteed equal employment opportunities, ensuring that all can have a fair wage and regulatory treatment, based solely on criteria of merit and competence without any discrimination.

The competent functions must:

- Adopt in every case criteria of merit and competence and, in any case strictly professional, for any decision relating to human resources;
- Screen, recruit, train, remunerate and manage human resources without any discrimination;
- Create a work environment in which characteristics and personal orientations cannot give rise to discrimination.
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➤ *Ethical conduct*

Each employee of the Company has the obligation to carry out their tasks in a responsible, honest, diligent manner and with a good degree of judgement, in accordance with company policies.

➤ *Conflict of interests*

Each employee has the obligation to avoid any activity or situation of personal interest which constitutes or can constitute a conflict between the interests of the individual and those of the company. The employees must consider the business interests an absolute priority and must avoid any action which can result in disadvantage or harm for the company.



➤ *Fight against corruption*

Corrupt practices, illegitimate favours, collusive behaviour, undue pressure exerted directly and/or through third parties for personal gain and career advancement for oneself or for others, are prohibited without exception.

It is not permitted to make or offer, directly or indirectly, payments, material benefits and other advantages of any kind to third parties, to government representatives, to public officials or public or private employees, to influence or reward them for actions carried out in the course of their duties.

Expressions of business courtesy, such as gifts or forms of hospitality are permitted only when of a modest amount and when they do not compromise the integrity or the reputation of one of the parties and cannot be interpreted, by an impartial observer, as finalised at obtaining advantages in an improper way.

The employees are responsible for full compliance with all the laws in force on the fight against corruption.

➤ *Equal opportunities, harassment*

It is the policy of the Company to guarantee all employees equal opportunities of access and professional development as well as to undertake finalised actions to have a work force which represents all the different social backgrounds.

Pompe Garbarino S.p.A. demands that no kind of harassment occurs in internal and external work relations, understood as:

- Creation of an intimidating, hostile or isolated work environment for individuals or groups of workers;
- The unjustifiable interference with the work performed by others;
- Hindering the prospects of individual work for mere reasons of professional competitiveness.

➤ *Abuse of alcoholic substances or drugs and smoking bans*

Pompe Garbarino S.p.A. requires each employee to personally contribute to maintaining a work environment that respects the sensitivity of others. This request will be considered unfulfilled when:

- Work is performed under the effects caused by the abuse of alcohol, drugs or substances having a similar effect;
- Drugs are consumed or transferred for any purpose during work.

It is forbidden to smoke in areas in the workplace. In identifying any zones reserved to smokers, Pompe Garbarino S.p.A. shall hold in particular consideration the condition of those who feel physical discomfort due to the presence of smoke in shared working areas.

CONFIDENTIAL INFORMATION AND PROTECTION OF PRIVACY

The confidential information relating to data or knowledge which belongs to Pompe Garbarino S.p.A. must not be acquired, used or communicated except by authorized people.

By way of example and by no way of limitation, the information below is considered confidential: work projects, including commercial and industrial plans, the information relating to know-how and to technological processes, financial transactions, operating and investment strategies, operating results, personal data of employees, lists of customers, suppliers and collaborators.

Pompe Garbarino S.p.A. undertakes to suitably protect this information and to avoid any improper use.

Each recipient has the obligation, within the scope of their own tasks, to ensure the confidentiality required by the circumstances for the information generated or acquired in the performance of their duties.

LEGISLATIVE CONFORMITY AND TRANSPARENCY OF ACCOUNTS AND MANAGEMENT

It is the policy of Pompe Garbarino S.p.A. to conduct the business activity in accordance with all the Laws and the applicable Regulations. It is forbidden to use the funds and assets of the Company for any purpose which is in violation of the Laws and of the applicable Regulations.



Accounting transparency is based on the truth, accuracy and completeness of basic information for the related entries in the accounts. Each component of the Board of Directors, of management, or employee, has the obligation to co-operate, within the scope of their responsibilities, so that the management data are represented correctly and promptly in the accounts.

It is forbidden to behave in such a way that may adversely affect the transparency and traceability of the information in the financial statements.

The recipients who come to know about omissions, forgery, negligent accounting or about the documents on which the accounting records are based, have the obligation to report the facts to their superior or to the Board of Statutory Auditors.

ETHICAL STANDARDS WITH RESPECT TO THIRD PARTIES

-RELATIONS WITH PUBLIC BODIES AND SUBJECTS WHO PERFORM PUBLIC FUNCTIONS OR PROVIDE PUBLIC SERVICES

If relations with customers and suppliers, in any Country in which Pompe Garbarino S.p.A. operates, involve relations with Institutions, Companies or Public Bodies and with subjects who perform public functions or provide public services, Pompe Garbarino S.p.A. ensures total respect for the principles and precepts set out by the preceding article.

The Company abstains from any offer, promise or provision of money or of other utility which may influence the fulfilment of official duties or of service by a public official or by a person in charge of a public service.

Pompe Garbarino S.p.A. also abstains from any fraudulent conduct to the detriment of a Public body, and from any fraudulent conduct finalized at obtaining contributions, loans, subsidised loans, grants or other funds by Public Bodies.

The Company abstains and censures any initiative aiming to cause Directors, Statutory auditors, employees, collaborators and third parties in general to refrain from making statements to the legal authorities or to make reticent and/or false statements to the same.

PROTECTION OF HEALTH, SAFETY AND THE ENVIRONMENT AND PUBLIC SAFETY

The activities of Pompe Garbarino S.p.A. must be conducted in accordance with international agreements and standards as well as the Laws, Regulations, administrative practices and business policies of the countries in which it operates relating to the protection of health and safety of workers, of the environment and public safety.

The Company actively contributes to the promotion of scientific and technological development aimed at safeguarding resources and the environment. Operation procedures must comply with environmental safeguarding and energy efficiency standards.

The employees, within the scope of their tasks, actively participate in the process of risk prevention, safeguarding the environment and public safety and protection of health and safety for their own benefit, for the benefit of colleagues and third parties.