

# *Lechler SpA Code of Ethics*

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## **1. Introduction**

### **1.1. Preamble**

**Lechler spa**, (hereinafter also referred to as Lechler or the Company), referring to Law No. 231/2001, and in addition to its Integrated Management System Policy (Quality, Environment, Safety), aware of the need to ensure fairness and transparency in the conduct of business and corporate activities in order to protect its position and image, the expectations of its shareholders and the work of its employees, and in respect of the legitimate interests of the communities and contexts in which it is present with its activities, has decided to proceed with the issuance of this Code of Ethics or Code of Conduct (hereinafter also referred to as the Code for brevity), which will also be extended, in its capacity as Group Leader, to all the Companies belonging to the Group. The initiative to draw up this Code was taken in the belief that it can help raise awareness among all those who work in the name and on behalf of the Group, so that they follow the aforementioned conducts in the performance of their activities, as well as in the firm belief that the adoption of ethical principles relevant to the prevention of the offences set forth in Legislative Decree 231 is a vital element of the preventive control system.

This will fulfil a twofold function: the dissemination of homogeneous and transparent criteria for the performance of entrusted tasks, as well as a valuable contribution to the creation of a system suitable for the establishment of a prevention, management and control model, also pursuant to Legislative Decree No. 231/2001 on the administrative liability of entities.

Lechler's Code of Ethics is intended to recommend, promote or prohibit certain behaviours, irrespective of what is provided for by the legislator, and provides for sanctions proportionate to the seriousness of the infringements.

### **1.2. The Code of Conduct: purpose, recipients and structure**

**Lechler spa** adopts this Code, to be intended as an official document, which sets out the values to which all stakeholders must conform, whether they are employees, suppliers, customers, contractors in various capacities or Directors, accepting responsibilities, structures, roles and rules for the violation of which, even if no corporate liability towards third parties derives from it, they assume personal responsibility both internally and externally.

The knowledge of and compliance with the Code, duly publicised by Lechler, by all those who work for the Company, are therefore primary conditions for its transparency and reputation.

The Code constitutes a prerequisite and reference for both the *Organisation, Management and Control Model* adopted by the Company pursuant to Legislative Decree No. 231/2001 and subsequent amendments, and the sanctions system, complementing the regulatory framework to which Lechler is subject.

The Code of Conduct consists of:

- the general ethical principles, which identify the reference values in the Company's activities/processes;

- criteria of conduct that provide guidelines and standards which the addressees of the Code are required to comply with;
- the implementation mechanisms which outline the control system for the correct implementation of the Code and its ongoing improvement.

The Code, in relation to **intentional offences**:

- provides for compliance with the laws and regulations in force in all countries in which it operates (see, in particular, section 2.1);
- every operation and transaction must be correctly recorded, authorised, verifiable, lawful, consistent and appropriate (see point 5, below);
- determines basic principles to be followed when dealing with external stakeholders: Public administration, public employees or private business partners (paragraph 7).

Lechler, in relation to **culpable offences**, sets out the fundamental principles and criteria on the basis of which decisions are taken, of all kinds and at all levels, on health and safety at work.

### **1.3. Dissemination and observance of the Code of Conduct**

The Company promotes knowledge of and compliance with the Code among all persons operating in its sphere of activity (e.g. directors, employees, contractors in various capacities, business and financial partners, consultants, customers and suppliers), requiring compliance and providing for appropriate disciplinary and/or contractual sanctions in the event of non-compliance. These persons are therefore required to be familiar with the content of the Code (by requesting and receiving appropriate clarifications on its content from the relevant Company departments), to observe it and to contribute to its implementation, reporting any shortcomings and/or violations (or even only attempted violations) of which they become aware.

The Company also promotes the dissemination and knowledge of the Code through training/information and raising awareness among its employees and third parties in general.

#### **1.4. Relations with public and private entities**

The Company's conduct is geared towards cooperation and trust with all public and private parties (individuals, groups, companies, institutions) that have contact with the Company for any reason whatsoever and/or have any interest in its activities.

#### **1.5. Key principles**

The Company bases its actions on strict compliance with the law, market rules and the principles of fair competition.

The achievement of the Company's objectives is pursued by all those who work in the Company with loyalty, fairness, honesty, competence and transparency, in absolute compliance with the laws and regulations in force.

Compliance with the law, management transparency and fairness, trust and cooperation are the ethical principles by which the Company is inspired and from which it derives its models of conduct, in order to compete effectively and fairly on the market, improve the satisfaction of its customers, increase value for its shareholders and develop the skills and professional growth of its human resources. In particular, the belief of acting in some way to the benefit of the Company does not justify the adoption of conduct contrary to the aforementioned principles.

All those who work in the Company, without distinction or exception, are therefore committed to observing and enforcing these principles within the scope of their functions and responsibilities. This commitment is justified and requires that the parties with whom the Company has relations in any capacity also act towards it with rules and methods inspired by the same values.

### **2. General principles**

#### **2.1. Accountability, compliance with laws and regulations**

In the pursuit of the corporate mission, the conduct of all addressees of the Code must be inspired by the ethics of accountability.

The Company has as an unavoidable principle the observance of the laws and regulations in force in Italy and in all the countries in which it operates, in compliance with the democratic order established therein, in accordance with the principles laid down in the Code and the procedures of the Integrated Management System (I.M.S.).

Moral integrity is a constant duty of all those who work for the Company and characterises the behaviour of the entire organisation.

The directors and employees of the Company, as well as those who work with it in various capacities, are therefore obliged, within the scope of their respective competences, to know and observe the laws and regulations in force.

The relations with the Authorities of those working on behalf of Lechler shall be marked by the utmost fairness, transparency and cooperation, in full compliance with the laws and regulations and their official duties.

Employees must be aware of the laws and the consequent conduct; if there is any doubt about how to proceed, appropriate information must be requested from the Company.

## 2.2. Models and rules of conduct

All the work activities of those working for the Company must be carried out with professional commitment, moral rigour and fairness, also in order to protect the Company's image.

The conduct and relations of all those who in various capacities operate in the interest of the Company, inside and outside it, must be inspired by the principles of transparency, fairness, efficiency, spirit of service and mutual respect.

In this context, the Executives and Managers, must be the first to set an example for all the Company's human resources by their actions, complying, in the performance of their duties, with the principles inspiring the Code, the procedures of the Integrated Management System and/or Company regulations, ensuring their dissemination among employees and urging them to submit requests for clarifications or proposals for updates where necessary. Lechler devotes the utmost attention to respect for fundamental human rights. The Company establishes professional relations with all stakeholders that are characterised by respect for human dignity and the fundamental guarantees recognised by national and supranational laws for all human beings.

The Company bases its identity on the principle that human dignity is inviolable and must be respected and protected (Art. 1 of the Charter of Fundamental Rights of the European Union).

Hence Lechler is committed to offering all its human resources a positive and stimulating working environment, guaranteeing all employees recognition and respect for their dignity, their rights, their cultural and individual diversity, while striving to create a strong Group culture.

- The principle of transparency is based on the truthfulness, accuracy and completeness of information both outside and inside the Company.

The system for verifying and resolving complaints implemented with respect to customers must allow information to be provided through clear, constant, timely communication that complies with the current I.M.S. procedure.

- The principle of fairness implies respect for the rights, including in terms of privacy and equal opportunities, of all persons involved in their work and professional activities.

This also requires the elimination of any discrimination and any possible conflict of interest between employees and the Company.

- The principle of efficiency requires that in every work activity, economy in the management of resources employed in the provision of services is achieved and a commitment is made to offer a service that is appropriate to the customer's needs.

- The principle of the spirit of service implies that each addressee of the Code is always oriented, in his or her conduct, towards sharing the Company's *Vision and Mission*, aimed at providing a service of high social value and usefulness to the community, which must benefit from the highest quality standards.

- The principle of mutual respect implies non-discrimination of any diversity (physical, cultural, religious, etc.) as well as cooperation between the various corporate departments, regardless of hierarchies.

The Company intends to develop the value of competition by adopting principles of fairness, fair competition and transparency towards all operators in the market.

In carrying out its activities, the Company is committed to protecting **Safety and the Environment**.

The fundamental principles and criteria that Lechler adopts in relation to culpable offences, also in the light of Article 15 of Decree 81 of 2008, are expressed in several actions:

- a. eliminating risks and, where this is not possible, reducing them to a minimum in relation to the knowledge gained from technological progress;
- b. assessing all risks that cannot be eliminated;
- c. reducing risks at source;
- d. respecting ergonomic and health principles in the workplace in the organisation of work, in the design of workplaces and the choice of work equipment, in the definition of work and production methods, particularly with a view to reducing the health effects of monotonous and repetitive work;
- e. replacing what is dangerous with what is not dangerous or is less dangerous;
- f. planning measures deemed appropriate to ensure the improvement of safety levels over time, including through the adoption of codes of conduct and good practices;
- g. giving collective protection measures priority over individual protection measures;
- h. giving appropriate instructions to workers.

Human Resources represent a fundamental factor for the development of the Company, which, therefore, protects and promotes their professional growth, in order to increase the wealth of skills.

### 2.3. Corporate Governance

The *Corporate Governance* system adopted by Lechler is aimed at ensuring the maximum and most balanced cooperation between its components through a harmonious balancing of the various management, policy and control roles.

The system is geared towards ensuring that the Company is run responsibly and transparently vis-à-vis the market, with a view to creating value for shareholders and pursuing social goals.

The members of the corporate bodies must base their activities on the principles of fairness and integrity, refraining from acting in situations of conflict of interest in the context of the activities they perform.

Also required from them are:

- a conduct inspired by the principles of autonomy, independence and respect for the guidelines provided by the Company in the relations they have on behalf of the Company with Public Institutions and with any private entity.
- assiduous and informed participation in the Company's activities; they are required to make confidential use of the information they become aware of in the course of their duties and may not use their position to obtain direct or indirect personal advantages; all communication activities must comply with the laws and practices of conduct and must be aimed at safeguarding confidential and trade secret information.
- compliance with current legislation and the Principles contained in this Code.

The obligations of loyalty and confidentiality bind these persons even after their relationship with the Company has ended.

In view of its activities and organisational complexity, Lechler adopts **a system of delegation of powers and functions** that provides, in explicit and specific terms, for the assignment of tasks to persons with suitable skills and expertise.

### 3. Human resources and employment policy

The Company recognises the value of Human Resources, respect for their autonomy and the importance of their participation in the Company's activities.

Honesty, loyalty, capacity, professionalism, seriousness, technical preparation and dedication of personnel are therefore among the determining conditions for achieving the Company's objectives and represent the characteristics required by the Company from its Directors, employees and contractors in various capacities.

In order to contribute to the development of the Company's objectives, and to ensure that these are pursued by all in compliance with the ethical principles and values that inspire it, the Company Policy selects each employee, consultant, and contractors in various capacities according to the values and characteristics mentioned above.

Without prejudice to the obligations deriving from the provisions in force, the selection of personnel is subject to the verification of the full compliance of the candidates with the professional profiles required by the Company, respecting equal opportunities for all the persons concerned, avoiding favouritism, nepotism, forms of patronage of any kind and facilitations of any kind: any discrimination based on race, sex, nationality, religion, language, trade union or politics, as well as any form of favouritism, are forbidden in recruitment, remuneration, promotion or dismissal.

Those who may influence the selection of personnel shall not accept or take into account recommendations or indications, however named, in whatever form received, for or against applicants or potential applicants.

Recruitment of one's own family member, relative, cohabitant or friend must take place in accordance with the rules and procedures laid down and applied for the selection and recruitment of personnel.

Staff are hired on the basis of proper employment contracts, as no non-compliant or otherwise unlawful form of employment relationship is allowed.

The management of the employment relationship, pursuing an organisation by objectives, is oriented towards fostering the professional growth and skills of each employee, also in relation to the application of incentive tools or training plans.

The Company is committed to creating a working environment that guarantees, to all those who interact with it in any capacity, conditions that respect personal dignity, in compliance with the conditions necessary for the existence of a collaborative and non-hostile working environment, and to prevent discriminatory behaviour of any kind.

Everyone's cooperation is required in order to maintain a climate of mutual respect for each other's dignity, honour and reputation.

In compliance with the legislation in force (G.D.P.R. 679\2016), the Company is committed to ensuring the protection of *privacy* with regard to information pertaining to the private sphere and opinions of each of its employees and, more generally, of those who interact with the Company, by not communicating or disseminating, without prejudice to legal obligations, the relevant personal data without the prior consent of the data subject.

The Company is committed to protecting the moral and physical integrity of its employees.

The Integrated Management System and the related procedures are aimed at guaranteeing a safe and healthy working environment, in full compliance with the regulations in force on prevention and protection, and to this end the Company promotes responsible and safe behaviour by all.

Each employee is:

- obliged to comply with the obligations laid down in the Code and, in the performance of their duties, to abide by the law, and to conduct themselves in accordance with the principles of integrity, fairness, loyalty and good faith;
- obliged to use and take care of the property at their disposal by reason of their office;
- directly and personally responsible for the protection and lawful use of the assets and resources entrusted to them for the performance of their duties, as the improper use of assets and resources belonging to the Company is not permitted;
- responsible for the security of the computer systems used and is subject to the applicable regulations, the terms of licence agreements and internal Company procedures (e.g. IT policy document);
- obliged to make the necessary efforts to prevent any commission of offences through the use of IT tools.

Without prejudice to the provisions of civil and criminal laws, the improper use of corporate assets and resources includes their use for purposes other than those inherent to the employment relationship or for sending offensive messages, or messages that may damage the Company's image.



#### **4. Conflict of interest**

The Company wishes to establish a relationship of complete trust with its employees, in the context of which it is employees- primary duty to use the Company's assets and their own working skills to achieve the Company's interest, in accordance with the principles set out in the Code, which represent the values that inspire the Company.

The Directors, employees and contractors in various capacities of the Company shall avoid any situation and refrain from any activity that may oppose a personal interest to those of the Company, or that may interfere with and hinder the ability to take, in an impartial and objective manner, decisions in the interest of the Company, or that contrasts with the correct performance of their duties or that may harm the interests and image of Lechler.

The occurrence of conflict of interest situations, in addition to being contrary to the law and the principles set out in the Code, is detrimental to the Company's image and integrity.

Should any person working for the Company in various capacities (Directors, employees, Contractors, etc.) find themselves in actual or potential situations of conflict of interest, they must promptly inform the Company through their line manager, who is obliged to inform the Supervisory Board.

In order to avoid situations that create or may create a conflict of interest, employees must in particular avoid:

- carrying out activities involving business relations with the Company or which are in competition with it. *Activities also include activities performed as a director of partnerships or corporations, associations or other entities in general;*
  - taking up responsibility, collaborative or other positions with individuals, companies or organisations with which the Company has business dealings or which compete with it, or which have an economic interest in decisions or activities pertaining to their office;
  - entering into contracts in a personal capacity on particularly favourable terms or accepting preferential treatment from companies or suppliers with which the Company has business relations, unless such "more favourable terms" are applied to all employees or fall within the scope of normal business practices/policies;
  - carrying out activities that conflict with the proper performance of official duties;
  - accepting remuneration or other benefits from parties other than the Company for services to which they are required to perform their official duties (it is forbidden to exploit the position held in the Company to obtain benefits to which they are not entitled).
- Anyone who becomes aware of conflict of interest situations is required to promptly notify the Company's Supervisory Board (SB).

## **5. Operating procedures, bookkeeping and records**

With regard to the correct management of accounting records, Lechler operates in full compliance with the regulations in force in Italy - and in foreign countries, where applicable - in the tax and fiscal sphere, and undertakes to promptly notify the Tax Authorities of all information required by law, according to the terms set forth therein, in order to guarantee the correct assessment of taxes.

The Company deplores any form of tax evasion or facilitation of tax evasion.

Specific procedures, aimed at preventing prejudicial events and consequent potential negative impacts on the Company, are prepared by the Company in line with the Code. Those who work in the Company processes must comply with the procedures defined and formalised within the Company's Integrated Management System.

Their proper implementation ensures the identification of those responsible for the process of decision-making, authorisation and conduct of operations. To this end, in order to guarantee the principle of segregation of duties, key operations are carried out by different individuals, whose competences are clearly defined and known within the organisation, avoiding the attribution of unlimited and/or excessive powers to single individuals.

The I.M.S. procedures regulate the performance of the main operations, guaranteeing evidence of the principles of legitimacy, authorisation, consistency, appropriateness, correct recording and verifiability, also with regard to the use of financial resources.

Directors, employees and all those working for the Company are required to strictly observe the procedures laid down, and in particular those within the scope of their competences and functions.

Any failure to comply with the procedures and the Code undermines the relationship of trust that exists between the Company and those who interact with it in any capacity.

Those entrusted with the task of keeping accounting records are obliged to make all entries accurately, completely, truthfully and transparently, and to allow for any verifications by persons, including external persons, entrusted with this task. Truthfulness, accuracy, completeness and clarity constitute a fundamental value for the Company, also in order to guarantee shareholders and third parties the possibility of having a clear picture of the Company's economic, asset and financial situation.

All operations concerning the Company's activities must be evidenced by adequate records that allow for checks and controls on the process of decision, authorisation and execution (every operation and transaction must be correctly recorded, authorised, verifiable, legitimate, consistent and appropriate). Accounting records must be based on accurate and verifiable information and must fully comply with internal accounting procedures.

It is forbidden to record false income or expenditure in Company accounts or to conceal funds.

Each entry must make it possible to reconstruct the relevant transaction and must be accompanied by adequate documentation (complete, clear, truthful, accurate and valid), kept on file for any appropriate verification. No payment may be earmarked, in whole or in part, for purposes other than those evidenced by the supporting documents.

In the case of valuations of economic/asset items, the related recording must comply with the criteria of reasonableness and prudence, clearly illustrating in the related documentation the criteria that guided the determination of the value of the asset.

Anyone who becomes aware of any omissions, falsifications, irregularities in the keeping of basic accounting and documentation, or in any case of violations of the principles laid down in the Code and in the I.M.S. procedures is required to promptly report them to the Supervisory Body.

Such violations breach the relationship of trust with the Company, are relevant from a disciplinary point of view and will be appropriately sanctioned.

## **6. Intra-group relations**

Lechler requires Group Companies:

- to comply with the values of its Code and to cooperate loyally in the pursuit of the Company's objectives, in compliance with the law, the regulations in force and the I.M.S. procedures;
- to avoid conduct that, even if adopted in their own exclusive interest, is detrimental to the integrity or image of one of the companies of the Group;
- to cooperate in the interest of common goals, fostering communication among Group Companies, encouraging and utilising intra-Group synergies;
- to ensure that the circulation of information within the Group, in particular for the purposes of drawing up the consolidated financial statements and other communications, takes place in accordance with the principles of truthfulness, loyalty, correctness, completeness, clarity, transparency and prudence, respecting the autonomy of each Company and the specific areas of activity.

## **7. External relations**

### **7.1 General criteria**

Transactions (and the related management of financial resources) pertaining to the Company's activities entertained

with public officials or with persons in charge of a public service (*operating on behalf of the Public Administration, central or peripheral, or of legislative bodies, community institutions, national public organisations and any foreign State*), with the judiciary, with public supervisory authorities and with other independent Authorities must be undertaken and managed in absolute and strict compliance with the laws and regulations in force, with the principles laid down in the Code and in the I.M.S. procedures, so as not to compromise the integrity and reputation of both parties.

Attention and care must be paid in particular to operations relating to: tenders, contracts, authorisations, licences, concessions, requests for and/or management and use of financing, however denominated, of public origin (national, foreign or EU), management of orders, relations with supervisory authorities or other independent authorities, social security bodies, tax collection bodies, bodies involved in bankruptcy proceedings, civil, criminal or administrative proceedings, etc.

In the course of a business negotiation, request or commercial relationship with the Public Administration, no action should be taken, directly or indirectly, that may propose employment and/or commercial opportunities, from which advantages may derive, for oneself or for others, to employees of the Public Administration.

The Company does not directly or indirectly favour or discriminate against any organisation of a political or trade union nature.

The Company does not contribute in any way, in any form whatsoever, to the financing of political parties, movements, committees and political and trade union organisations, their representatives and candidates, except for those due under specific legal provisions. In compliance with the rules in force on the right of association, the employee's membership of associations and organisations, whose interests are even indirectly involved in the performance of the functions assigned to him/her, must be communicated to his/her line manager, who is required to inform the Supervisory Board. The provision does not apply to political parties and trade unions.

Employees shall not force other colleagues to join associations of which they are a member, nor shall they induce them to do so by promising career advantages.

In order not to prejudice the correct and normal conduct of production activities, and without prejudice to the provisions of the "Workers' Statute", the Company prohibits employees from engaging in political activities or political propaganda in the workplace.

### **7.2. Customer relations**

A fair and transparent relationship with its customers is a significant priority for Lechler. Contracts and communications with customers must comply with I.M.S. procedures and must therefore be clear, simple and formulated in language as close as possible to that of the general public, so that customers can make informed choices.

In order to guarantee maximum transparency of the relationship with its customers, Lechler submits to them a "Personal Data Sheet" in which they are asked to indicate a series of useful information to identify the commercial counterpart. The Company is committed to fostering interaction with customers through the handling and prompt resolution of any complaints, using official procedures and appropriate communication systems. The Company protects the *privacy* of customers in accordance with the relevant regulations, undertaking not to communicate or disseminate their personal, economic and consumer data, without prejudice to legal obligations.

### **7.3. Relations with suppliers**

Supplier selection must comply with current standards and official procedures defined by Lechler (I.M.S.).

The choice of supplier and the purchase of goods and services of any kind must be made in accordance with the principles of competition and on the basis of objective assessments of the competitiveness, quality and price of the supply.

In the selection of consultants and/or contractors in particular, the Company takes into account the respective requirements of morality and professionalism.

In selecting the supplier, Lechler shall take into account the supplier's ability to guarantee the effectiveness of its adopted Quality System, the availability of means and organisational structures, and the ability to meet confidentiality obligations.

Any selection procedure must be carried out under the broadest conditions of competition and any derogation from this principle must be authorised and justified.

Relations with suppliers, including financial and consultancy contracts, are governed by the rules of this Code and are subject to constant and careful monitoring by the Company, also from the point of view of the consistency of the services or goods supplied with respect to the agreed consideration.

Lechler has official procedures in place to ensure maximum transparency in the selection and qualification of suppliers and the purchase of goods and services.

The internal procedures (and the delegation system) provide for functional separation between the person requesting the supply and the person signing the contract, as well as an accurate documentation system of the entire selection and purchasing procedure so that each operation can be reconstructed and verified.

The Company is committed to promoting compliance with environmental requirements in its procurement activities.

Also by means of specific contractual clauses, the Company shall require suppliers:

- a declaration certifying their adherence to specific social obligations and their commitment to avoid the commission of offences against the Public Administration and environmental disasters attributable to the supplier Company's activities.
- the assumption of direct responsibility for the actions of any subcontractors in accordance with the I.M.S. "Procurement Management" procedure.
- to sign a Data Sheet providing an overview of: *i*) its corporate organisation (by identifying its legal representative and *core business*); *ii*) any significant legal proceedings pursuant to Leg. 231/2001; *iii*) compliance with social security obligations due under the law and the existence of any criminal record in tax and/or social security matters.

#### **7.4. Gifts, gratuities, promises of favours, benefits and other advantages**

The Company prohibits all those who work in its interest, in its name or on its behalf from accepting, offering or promising, even indirectly, money, gifts, goods, services, benefits or undue favours (both direct and indirect and also in terms of employment opportunities) in connection with relations with public officials, public service officers, public employees or private persons, customers and suppliers, in order to influence their decisions, with a view to more favourable treatment or undue benefits or for any other purpose.

Gifts or acts of courtesy and hospitality are permitted to the extent that, being of modest value and in compliance with normal business and courtesy practices, they are of such a nature and value that they do not compromise the integrity, image, independence and reputation of one of the parties and such that they cannot be interpreted as aimed at obtaining favourable treatment that is not determined by market rules.

Accepting or giving money or gifts equivalent to money (e.g. goods vouchers) is strictly prohibited.

Any requests or offers (even if not accepted) of money or favours of any kind (including gifts or presents of modest value), which go beyond ordinary courtesy relations, unduly formulated to or by those who work on behalf of the Company in the context of relations with the Public Administration (Italian or of foreign countries) or with Italian or foreign private parties (e.g. customers and suppliers) must be immediately brought to the attention of the line manager, who will immediately inform the Supervisory Board.

#### **7.5 Environmental policy**

Within the framework of its policies (OSH, Environmental, Quality, Responsible Care), the Company establishes its commitment to environmental protection and the sustainable use of resources, through the pursuit of continuous improvement and the use, where possible, of the best available technologies for energy efficiency. The

Company undertakes to manage its activities in full compliance with the regulations in force on prevention and protection.

## **7.6. Information management**

All those acting in any capacity on behalf of the Company are required to maintain the utmost

confidentiality on information learnt in the performance of their duties, in accordance with laws, regulations and circumstances; they are required not to disclose, communicate or unduly request information, on documents, know-how, research projects, Company operations and in general on all information learnt in the performance of their duties.

In particular, confidential or secret information is any information of any kind (technical, commercial, organisational, etc.) acquired in the course of or in connection with work activities, the dissemination and use of which may cause danger or damage to the Company and/or undue profit for the employee.

Information and news about employees (e.g. career progression, salary, personal situations) is also considered confidential.

Breach of confidentiality duties by employees or contractors seriously undermines the relationship of trust with the Company and may lead to the application of disciplinary or contractual penalties.

The duty of confidentiality continues even after the termination of the employment relationship as long as the use or disclosure of information or news may be detrimental to the interests of the Company, and the employee shall ensure that the requirements of current privacy laws are complied with.

## **8. Corporate information**

Within the limits laid down by the regulations in force, the Company provides in a timely and complete manner the information, clarifications, data and documentation requested by shareholders, customers, suppliers, public supervisory authorities, institutions, bodies.

Comprehensive and clear corporate communication constitutes a guarantee for the fairness of relations:

- with shareholders, who must be able to easily access the information data, in accordance with current legislation;
- with third parties who come into contact with the Company, who must be able to have a representation of the economic, financial and asset situation of the Company;
- with the auditing and internal control bodies, which must carry out control activities effectively;
- with other Group Companies, including for the purpose of preparing the consolidated financial statements and other communications of the Company.

## **9. Internal control system**

In compliance with the regulations in force and with a view to the planning and management of corporate activities oriented towards efficiency, fairness, transparency and quality, Lechler implements, in accordance with the organisational models adopted, the management and control system which entails the adoption of suitable measures to ensure compliance with the laws and the principles of the Code, in order to prevent unlawful conduct and to promptly discover and eliminate risk situations.

In order to prevent the risk of the offences referred to in Legislative Decree No. 231/2001, the Company adopts an Organisational Model that meets the requirements of the Decree. With regard to internal control, Lechler adopts a special integrated system aimed at verifying the exact implementation of the organisational and management models, compliance with internal and external regulations, and the suitability of accounting principles and records. This system makes use of the control activities carried out by the operational functions, the control functions and the institutional control bodies (Board of Statutory Auditors and Auditing Company).

The Company constantly promotes and ensures the knowledge of the Code of Conduct by its addressees.

A hard copy of the Code is distributed to all existing staff (and subsequently when new employment relationships are established).

Advice and clarification on the contents of the Code can be requested from the SB.

It is the task of the Board of Directors to approve the Code and its amendments in order to adapt it to any new relevant legislation and the developments of civic awareness. Any amendments and/or additions must be approved by resolution of the Board of Directors of the Company.

The Employer of the Company shall, where appropriate, issue directives for the correct implementation of the Code.

All stakeholders, whether internal or external, are required to promptly report, verbally or in writing (depending on the nature of the breach) and in non-anonymous form, any failure to comply with this Code and any request to breach it, from whomever, to their line manager, who is required to inform the Supervisory Board. The Company protects whistleblowers against any retaliation they may face for reporting misconduct, keeping their identity confidential (without prejudice to legal obligations).

Authors of manifestly unfounded reports are subject to the sanctions provided for in the Penalties system.

Lechler has also implemented its own internal reporting system as described in the section on whistleblowing, within the Organisational Model.

## **10 Penalties system**

The provision of an adequate disciplinary system and suitable penalties mechanisms is a qualifying element of the model; Lechler ensures that this is not only adopted but also effectively implemented.

Compliance with the rules of the Code must be considered an essential part of the contractual obligations of the employees of the Company, also pursuant to, and for the purposes of, the Civil Code.

Failure to comply with the measures set out in the Organisational Model activates the penalties mechanism provided for therein, irrespective of any criminal proceedings for the offence that may have been committed.

The penalties system is aimed both at persons in top positions and at persons subject to the direction of others, including third parties.

In particular, the specific activity performed by senior management provides for sanctions dedicated to these figures, such as a written warning, the provision of

temporary suspension mechanisms or, for the most serious violations, disqualification/revocation of the office held.

With regard to violations of the Code of Ethics and related procedures by subordinates, it is considered that a serious and persistent breach of the Code's rules damages the relationship of trust established with the Company and constitutes a breach of the obligations arising from the employment relationship, with all contractual and legal consequences, also with reference to their relevance as a disciplinary offence and/or the preservation of the employment relationship. Disciplinary actions and compensation for damages are provided for, without prejudice, for employees, to compliance with the procedures laid down in the *Workers' Statute (starting with Article 7, from which the principle of **typicality** of both violations and sanctions derives)*, the applicable collective labour agreements, and the disciplinary codes adopted by the Company. The sanctions imposed by the Human Resources Department - also at the request of the Supervisory Board, with the endorsement of the Board of Directors in certain noteworthy cases - range from precautionary measures, in the case of minor infringements, to measures capable of severing the relationship between the person involved and Lechler, in the case of more serious violations.

The disciplinary system is also aimed at third parties with whom the entity has relations. The sanctions aimed at the latter take the form of a reminder to comply with the model in a timely manner, the application of penalties or termination of the contract, depending on the seriousness of the violation in question.

The penalties system must comply with the provisions of Law No. 300/1970 (Rules on the protection of the freedom and dignity of workers, freedom of association and trade union activity in the workplace and rules on employment), specific sector regulations, where they exist, collective bargaining and Company disciplinary codes.

For the purpose of this document, a "serious breach" is any persistent breach that results or may result in penalties being imposed on the Company.

The disciplinary system is permeated by the principle of proportionality and founded on the adversarial principle: the person concerned is involved, the challenge is timely and specific, and he/she is always given the opportunity to bring justifications in defence of his/her conduct.

This shall be without prejudice to any further criminal, civil and administrative liabilities which the offender may incur as a result of any breach of this Code.

Adequate prior publicity of the punishable offences is given by posting the Code on Lechler's public notice boards (physical and digital).