




## MODEL 231 PURSUANT TO LEGISLATIVE DECREE NO. 231/2001

### Code of Ethics

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## 1. INTRODUCTION

The Davines Group (hereinafter also referred to as the “Group”) bases its existence on the creation and sale throughout the world of high-quality, scientifically developed haircare and skincare products. Specifically, with the Davines brand, the Group positions itself in the hair salon market with a wide range of professional products that are complementary and synergic, in terms of technical quality, creativity and conceptual design. Furthermore, its training services represent a guiding force for the professional development of its client salons, through knowledge of clients’ specific needs, in collaboration with leading hairdressers.

With the Comfort Zone brand, the Group positions itself in the professional spa, beauty salon and wellbeing market with a portfolio of unique and complementary products in the cosmetics sector, supported by specialist training initiatives aimed at the development of clients’ business and expertise; the Group is also continually seeking to innovate.

Davines pursues the ambitious project of creating high-quality products with meticulous care and respect for the environment, using select natural ingredients and adopting scientific rigour for each product, in order to guarantee its clients’ safety.

Davines S.p.A. (hereinafter also referred to as the “Company” or “Davines”) has decided to adopt its own Code of Ethics (hereinafter also referred to as the “Code”), which constitutes the point of reference for all those who carry out activities on its behalf or in its interests. The Code of Ethics, adopted pursuant to a resolution of the Board of Directors on 3 June 2019, is the document that identifies principles and values with a much broader scope than those deriving from necessary compliance with the applicable regulations. These principles and values must form the basis of the activities of all people who operate or have relations with Davines, with regard to all corporate activities and in dealings with third parties.

In fact, Davines believes that establishing and maintaining a relationship of trust between the Company and its stakeholders requires constant respect for the law, whilst recognising that legal rules may not be sufficient and that, therefore, they need to be bolstered by a set of general and specific ethical principles that can guide both conduct and individual and collective choices for the best possible pursuit of the interests involved. Ethics therefore assumes absolute importance as a means to guide the conduct of corporate bodies, management, executives, employees and workers, above and beyond that provided for by Legislative Decree No. 231 of 8 June 2001.

The set of ethical principles and values expressed in the Code must form the basis of the activities of all those who operate within Davines, taking into account the importance of the roles and the complexity of the functions and responsibilities allocated to them for the pursuit of the Company's purposes.

Ethical guidance is an essential approach for guaranteeing the reliability of Davines’ conduct towards its stakeholders and, more generally, towards the entire social and economic context in which the Company operates. In this context, the Code of Ethics defines the set of values that Davines acknowledges, accepts and shares, as well as all of the responsibilities that it assumes, both internally and externally.

The Code of Ethics therefore constitutes a code of conduct whose observance by all representatives of the Company is of fundamental importance for the good functioning, reliability and reputation of the Company. Any violation of the provisions contained in the Model and the Code of Ethics shall result – as better and more analytically described therein – in the imposition of sanctions or, in any case, the adoption of measures, regardless of whether a crime has been committed and regardless of the execution and outcome of any criminal

proceedings that may be initiated by the judicial authorities. This takes into account the fact that the obligation to respect the aforementioned provisions also constitutes fulfilment of the duties of integrity, honesty and diligence arising from the legal relations established by the Company with both internal and external parties.

The Code is part of the Company's voluntary regulations, which also include the Charter of Ethics adopted by the Group since 2005, as supplemented by the 2018 edition, named "The new development". It can also be defined as the Company's "Constitutional Charter", a charter of guiding values, and is the key tool for the implementation of ethics within the Company. More specifically, the Code incorporates the provisions of the Charter of Ethics, aiming to govern all areas of conduct subject to ethical/reputational risk. Furthermore, the Code constitutes an integral part of the Model for the Prevention of Crimes associated with the application of Legislative Decree No. 231/01 concerning the administrative responsibility for crimes of legal persons, companies and associations, with or without legal personality.

This Code of Ethics replaces that adopted by the Board of Directors on 9 October 2014.

## **2. OBJECTIVES AND SCOPE OF APPLICATION**

In this context, the Board of Directors believes that ethics in corporate management is a fundamental tool for the promotion and protection of the Company's image, an element of primary importance, equal to reliability, honesty and transparency towards all interested parties.

To that end, the Board of Directors has adopted this Code of Ethics in order to govern the Company's activities via specific rules of conduct, establishing the general principles to which the entire organisation must conform.

### **2.1 OBJECTIVES OF THE CODE OF ETHICS**

The Company is aware that the good reputation resulting from the systematic application of ethical principles encourages investment by shareholders, attracts the best human resources, facilitates relations with institutional, business and financial interlocutors, and consolidates reliability in the eyes of creditors and peaceful relations with employees and suppliers; on the contrary, unethical conduct compromises relationships of trust and may provoke hostile attitudes towards DAVINES.

The objective of this Code of Ethics is to define the commitments and ethical responsibilities on which DAVINES and its directors, employees, workers and clients are required to base their conduct when performing their activities; it therefore outlines the Company's professional ethics profile.

### **2.2 ADDRESSEES AND SCOPE OF APPLICATION**

The Code of Ethics applies to Davines and to the companies controlled by it. The Code of Ethics:

- establishes the lines of conduct and governs the set of rights, duties and responsibilities that the Company expressly assumes with regard to natural or legal persons that enter into relations of any kind with Davines (hereinafter referred to as "Stakeholders");
- defines the ethical criteria adopted to obtain the correct balance between the expectations and interests of the various Stakeholders;
- contains principles and guidelines of conduct in possible areas of ethical risk.

For that reason, Davines has adopted this Code of Ethics, whose observance by the addressees is of fundamental importance for the good functioning, reliability and reputation of the Company, factors that are indispensable to the Company's success. The provisions of the Code apply to the following parties:

- all employees and workers, wherever they operate, regardless of the legal classification of their relationship with the Company;
- directors, members of the Board of Statutory Auditors and proxies;
- all parties that operate in the name and on behalf of the Company or under the control of the latter, such as consultants, clients and commercial partners.
- Suppliers and distributors are invited to read the Code of Ethics and undertake to respect it.

All the parties indicated in this paragraph shall hereinafter be defined collectively as “Addressees” and individually as “Addressee”.

The Code of Ethics is aimed at all those (hereinafter also referred to as the “Addressees”) that, directly or indirectly, permanently or temporarily, establish relations with DAVINES and work to pursue its objectives, such as the Board of Directors, employees, workers, contractors, suppliers and service providers in general.

They are therefore obliged to be familiar with the rules of the Code of Ethics and to comply with the principles and standards of conduct contained therein, basing their everyday conduct on said principles and standards, whilst respecting religious, cultural and social peculiarities.

The rules contained in this Code of Ethics incorporate the conduct that employees and workers are required to observe, in accordance with the rules of ordinary diligence to which all workers are required to adhere, governed by the applicable regulations and employment contracts. Under no circumstances may the pursuit of the interests of DAVINES justify any conduct that is contrary to the laws in force or to the rules of this Code.

In any business relationship, all counterparties must be informed of the existence and content of this Code of Ethics and are required to comply with it.

### **2.3 STRUCTURE OF THE CODE OF ETHICS**

This Code of Ethics, the original structure of which is illustrated in figure 1, concerns:

- the general principles governing DAVINES’ mission and the key reference values adopted (chapter 2);
- the criteria of conduct that must be adopted by parties operating in the name and on behalf of DAVINES in the sphere of individual conduct (chapter 3);
- the criteria of conduct intrinsic to the relationships generated by the network of relations (chapter 4);
- the criteria of implementation and monitoring of the Code and the sanction principles applicable in cases of non-compliance (chapter 5).

**MISSION AZIENDALE E VALORI DI RIFERIMENTO**

**CORPORATE MISSION AND KEY VALUES**

**ATTUAZIONE DEGLI INDIRIZZI ETICI NELLA SFERA COMPORTAMENTALE INDIVIDUALE**

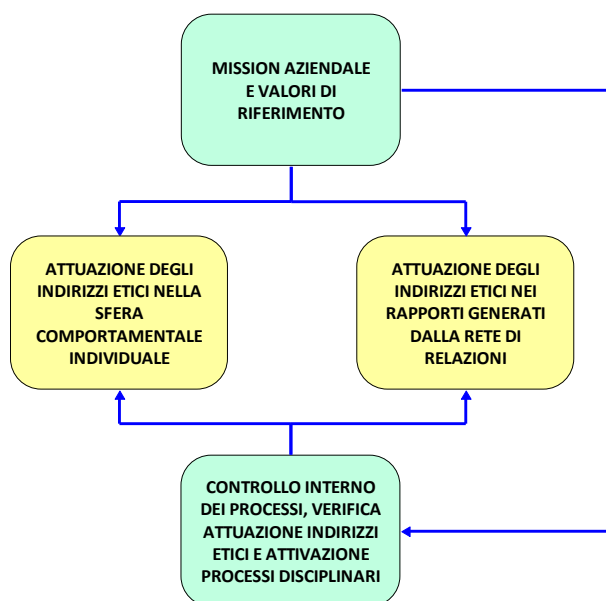
**ENFORCEMENT OF ETHICAL GUIDELINES IN THE INDIVIDUAL BEHAVIOURAL SPHERE**

**ATTUAZIONE DEGLI INDIRIZZI ETICI NEI RAPPORTI GENERATI DALLA RETE DI RELAZIONI**

**ENFORCEMENT OF ETHICAL GUIDELINES IN THE CONNECTIONS GENERATED BY THE NETWORK OF RELATIONSHIPS**

**CONTROLLO INTERNO DEI PROCESSI, VERIFICA ATTUAZIONE INDIRIZZI ETICI E ATTIVAZIONE PROCESSI DISCIPLINARI**

**INTERNAL PROCESS CONTROL, MONITORING OF THE ENFORCEMENT OF ETHICAL GUIDELINES AND IMPLEMENTATION OF DISCIPLINARY ACTIONS**



**Figure 1 - Structure of the DAVINES Code of Ethics**

### 3. CORPORATE MISSION AND VALUES

DAVINES' key values, identified via a process of sharing among those who operate for the Company, are brought together in the new Charter of Ethics, "The new development", and are listed below:

- |                              |                              |
|------------------------------|------------------------------|
| ● Communication              | ● Kindness                   |
| ● Sharing                    | ● Constructive attitude      |
| ● Cosmopolitan relationships | ● Excellence                 |
| ● Responsibility             | ● Unity Spirit of initiative |
| ● Respect                    | ● Beauty                     |
| ● Balance                    | ● Sustainability Inclusivity |
| ● Engagement                 | ● Innovation                 |

Based on these values, DAVINES identified the general rules of conduct that should inspire the actions of those who work within and for the Company, both in the context of individual conduct and in terms of the relationships established during the development of corporate processes.

#### 3.1 LAWFULNESS

With the adoption of this Code of Ethics, the Company undertakes to respect, during the performance of all its activities, the international, national and regional laws in force in Italy, and shall not initiate or pursue any relations with parties not intending to align themselves with this principle. Under no circumstances may the pursuit of the Company's interests justify any actions that are not compliant with the regulations in force, the Code of Ethics and the internal rules of the Company. This applies in particular to any malicious or negligent conduct by individuals that is contrary to the law and may generate a benefit or advantage for the Company. Under no circumstances may the belief of acting to the Company's advantage justify conduct that contravenes the principles of this Code, which must be acknowledged to be of primary and absolute value.

#### 3.2 RESPECT FOR HUMAN RIGHTS

In decisions that affect relations with its external and internal interlocutors, DAVINES deems it essential to prohibit any discrimination based on age, gender, sexual preferences, health, race, nationality, political opinions or religious beliefs.

The Company supports and respects human rights, in accordance with the United Nations Universal Declaration of Human Rights and the Charter of Fundamental Rights of the European Union.

#### 3.3 VALUING HUMAN RESOURCES

DAVINES acknowledges the importance of human resources as a key factor in the success of any activity, in a context of mutual loyalty and trust between employer and employees.



For this reason, DAVINES protects and promotes the value of its human resources with a view to improving and increasing the professionalism, experience and wealth of knowledge of each employee and worker, including through training initiatives.

The employment relationship is based on respect for the applicable collective contractual regulations and the relevant social security, tax and insurance rules. In order to enter into an employment relationship, workers are required to sign both a contract and a commitment to respect the principles set out in the Code of Ethics.

Within staff management processes, decisions are based on value assessment criteria, using a meritocratic approach. The same applies to access to specific roles and positions. In recent years, among other things, an internal candidacy system has been implemented, which allows for both greater rotation of internal staff and the possibility for personnel growth.

In the event of corporate reorganisations, DAVINES safeguards the value of its human resources, making provisions for training and/or professional retraining initiatives where necessary.

DAVINES promotes actions aimed at preventing the exercise of authority within the hierarchical relations between employees from becoming harmful to the dignity, professionalism or autonomy of employees.

### **3.4 INTEGRITY OF WORKERS**

Respect for the physical and cultural integrity of individuals is a key ethical value for DAVINES, which guarantees this by fostering working conditions that respect individual dignity and suitable working environments. To that end, the Company carries out its activities under technical, organisational and economic conditions that guarantee adequate accident prevention and a safe and healthy working environment, in full compliance with the applicable regulations, adopting the necessary defining, pre-emptive and precautionary standards.

Davines undertakes to disseminate and consolidate a culture of safety, developing risk awareness, promoting responsible behaviour by all workers and making sure to protect, particularly by means of preventive measures, the health and safety of its staff, also undertaking to do the above for all providers of works and services.

### **3.5 RESPECT FOR PRIVACY**

The Company undertakes to process all personal and sensitive information in its possession in full compliance with the applicable regulations; to that end, it puts suitable measures in place to protect the inviolability and correct processing of data. Davines undertakes to protect information relating to its staff and to third parties that has been generated or acquired internally or in business relations, and to avoid any improper use of said information. The Company aims to guarantee that the personal data processing carried out within its structure takes place with respect for the rights, fundamental freedoms and dignity of the data subjects, as provided for by the applicable regulatory provisions.

### **3.6 THE VALUE OF REPUTATION**

DAVINES, aware of the importance of its activities and the impact they have on economic and social development, is extremely careful to offset its own objectives against the general interests of the province of Parma.

For that reason, DAVINES carries out its activities with great respect for local and national communities, associations and institutions, in order to acquire a good reputation that can help to legitimise its activities within the areas in which it operates.

The good reputation and image of DAVINES are therefore an essential intangible resource.

A good reputation makes it possible to attract the best human resources who want to work with DAVINES; this then facilitates relations with institutional, business and financial interlocutors, both public and private. Pursuing a good reputation enables the Company to make and implement decisions whilst mitigating possible elements of conflict, as well as to organise its work in a climate of mutual respect, without necessarily having recourse to intervention from authorities.

### **3.7 ETHICS AND VALUE OF INVESTMENT BY SHAREHOLDERS**

DAVINES operates with the aim of safeguarding and growing its value, whilst valuing the investments made by its shareholders, provided that they safeguard the principles of free and fair competition; to that end, DAVINES bases its actions on the achievement of competitive results that reward ability, experience and efficiency.

DAVINES and its workers must adopt appropriate conduct in the performance of duties pertaining to a party operating in the name and on behalf of government authorities, and in particular those parties that perform duties comparable to government officials or persons responsible for public services. Any action aimed at interfering with the conditions of fair competition is contrary to DAVINES' policy and is prohibited for any party acting for the Company.

### **3.8 ADMINISTRATIVE MANAGEMENT**

When preparing the financial statements and any other kind of corporate communication or accounting documentation, DAVINES respects the laws and regulations in force and adopts the most up-to-date practices and accounting principles.

The accounting documents and financial statements are an accurate representation of the Company's affairs (income statement, statement of assets and liabilities and statement of cash flows), in accordance with the criteria of transparency, accuracy and completeness. To that end, adequate and complete supporting documentation for the activities carried out is kept in the records, so as to facilitate:

- accurate recording of each transaction;
- immediate determination of the characteristics and underlying motivations of transactions;
- straightforward chronological formal reconstruction of transactions;
- verification of decision-making, authorisation and execution processes, and identification of the various levels of responsibility and control.

Each accounting record reflects exactly what is stated in the supporting documentation. Therefore, it is the duty of each designated employee or worker to ensure that the supporting documentation can be easily located and is arranged according to logical criteria, in accordance with internal provisions and procedures.

Nobody may make payments for DAVINES without adequate supporting documentation.

The administrative/accounting systems must make it possible to effectively reconstruct individual facts and events and to accurately represent corporate transactions, including for the purposes of identifying the reasons

for the transaction and the various levels of responsibility, in accordance with the obligations concerning financial traceability.

Davines undertakes to operate in such a way as to avoid involvement in operations that are even potentially likely to facilitate money-laundering resulting from unlawful activities, acting in full compliance with anti-money-laundering regulations.

### **3.9 GIFTS AND DONATIONS**

It is prohibited for Addressees to receive or give money, gifts or any other benefits, with the exception of goods of modest value that constitute a mere business courtesy. Any conduct contrary to this principle is prohibited and shall be strictly punished, regardless of whether or not it was carried out or attempted, either directly or via third parties, in order to obtain any personal advantage or advantage for others or for the Company.

### **3.10 INFORMATION MANAGEMENT**

DAVINES undertakes to manage the flow of information to Stakeholders so as to ensure that it is always complete, clear and transparent and that, in relation to technical data or financial, accounting or operational content, it meets the requirements of truthfulness, completeness and accuracy, as well as the specific provisions on publicity, transparency and dissemination of information imposed by Legislative Decree No. 33/2013.

DAVINES organises the flow of information in such a way as to observe the specific measures established in order to prevent crimes pursuant to Legislative Decree No. 231/2001.

DAVINES also ensures the confidentiality of the information in its possession, defining and updating its personal data processing procedures in accordance with the regulations in force.

### **3.11 PROTECTION OF INDUSTRY AND COMMERCE**

Each employee and worker undertakes not to adopt any conduct aimed at preventing or disturbing the exercise of any industry or commerce and/or carry out acts of competition using violence or threats. The Company undertakes:

- a) not to put on sale or otherwise put into circulation engineering works or industrial products with names, trademarks or distinctive signs, whether national or foreign, that are counterfeit or adulterated, or intended to deceive the customer with regard to the origin, provenance or quality of the work or product;
- b) not to sell a customer a product for another, or a product that differs from what was stated or agreed in terms of origin, provenance, quality or quantity;
- c) not to manufacture or industrially use objects or goods made by usurping a right of industrial property or in violation of said right, and not to introduce into the country's territory, hold for sale, put on sale or otherwise put into circulation such goods.

To that end, Addressees must operate in accordance with the corporate procedures and protocols in protection of the right of intellectual property pertaining to the Company and to others. The Company undertakes to protect the industrial property rights (trademarks, patents, distinctive signs, designs, industrial models, engineering works, etc.) pertaining to it and to others. It is therefore prohibited to counterfeit or adulterate trademarks or distinctive signs, whether national or foreign, of industrial products, or patents, designs or industrial models, whether national or foreign, just as it is prohibited to use, introduce into the country, hold for

sale, put on sale or otherwise put into circulation, manufacture or industrially use objects or other counterfeit or adulterated goods that have been made by usurping industrial property rights or in violation of said rights.

### **3.12 MANAGEMENT OF ENVIRONMENTAL ASPECTS AND IMPACTS**

DAVINES undertakes, in the performance of its activities, to contribute to protecting the environment, seeking a balance between its economic objectives and fundamental safeguarding requirements; consequently, DAVINES pursues responsible conduct in the field of environmental protection, setting as its objective the continual improvement of its environmental performance and that of all its suppliers.

In accordance with national and international environmental regulations, as well as with contractual requirements, this commitment manifests itself in projects, processes, methodologies and materials that take into account the development of scientific research and the improvement of experiences in the environmental domain, and contribute to territorial balance, pollution prevention, the restoration of polluted areas and protection of the countryside.

### **3.13 PREVENTION OF CRIMES**

The Board of Directors, employees and workers of DAVINES are committed to preventing and avoiding acts that may be connected to the commission of crimes when performing their activities.

The Company promotes a special commitment and corresponding actions aimed at reducing the risk of committing crimes that involve undue interests or advantages to its own organisation, with reference in particular to those pertaining to administrative responsibility for crimes pursuant to Legislative Decree No. 231/2001.

## **4. ETHICAL PRINCIPLES IN TERMS OF INDIVIDUAL CONDUCT**

### **4.1 ETHICS IN RELATION TO DAVINES**

Without prejudice to the obligations and provisions of the regulations and individual and collective contracts in force, each employee and worker must avoid conduct contrary to the Company's ethics, as identified in this Code of Ethics, which may reflect on the reputation and image of DAVINES.

### **4.2 HONESTY, IMPARTIALITY AND RESPECT FOR THE RULES**

Honesty is the key ethical principle for all activities carried out by DAVINES for the fulfilment of its mission. At all levels, Addressees must base their relations with Stakeholders on the criteria of honesty, collaboration, fairness and mutual respect.

When performing their duties, employees and workers of DAVINES shall place respect for the law above any other interest, basing their decisions and conduct on the interests of the role allocated. Under no circumstances may the pursuit of the interests of DAVINES justify any personal conduct that violates the laws in force or the rules of this Code.

In the performance of their respective duties, employees and workers are prohibited from adopting discriminatory conduct based on age, gender, sexuality, health, race, nationality, political opinions, trade union affiliation or religious beliefs.

Employees must reject any unlawful pressure, blandishments or requests for favours that may harm the honest or impartial nature of their duties, promptly informing their superiors or, where such unlawful pressure comes from their superiors, the Supervisory Body appointed pursuant to Legislative Decree No. 231/2001.

Where it may influence the performance of procedures for the allocation of works, services or supplies, dispute proceedings or internal and/or external staff selection, employees may not accept or take into account recommendations or indications, however they may be referred to, in any form, in favour of or to the detriment of participants or persons concerned.

Employees who aspire to promotions, transfers or other benefits must not employ any improper methods to influence the parties responsible for taking the relative decision, or ask others to do so.

When dealing with activities, employees, in relation to the type of activity performed, shall respect the chronological order of requests or priorities.

### **4.3 USE OF CORPORATE ASSETS**

Corporate assets are allocated to staff based on their working activities. Therefore, the use thereof shall be limited to carrying out the duties allocated, without prejudice to cases of varied use, provided that this is in compliance with the principles of lawfulness and ethics. Staff must adopt responsible conduct that conforms to the prearranged procedures for the use of corporate assets, documenting their use of said assets where requested to do so.

Use of the Company's information systems and databases must take place in accordance with the regulations in force and on the basis of the principles of integrity and honesty. To that end, each Addressee is responsible for the correct use of the information resources allocated to them and the access codes for the systems.

It is forbidden to interfere in any way with the functioning of equipment, machinery or information or electronic systems and to intervene illegally, using any means, with data, information or programs contained in an information or electronic system or pertaining to such a system, in order to obtain an unfair benefit to the detriment of others, particularly if the state or a public body would be harmed.

### **4.4 INFORMATION MANAGEMENT**

Employees and workers who, in the performance of their work duties, gain access to confidential information and private data, are obliged to use said data exclusively for the purposes permitted by law or by internal regulations, refraining from using them for their own private purposes or those of others. This obligation should be understood to extend also to non-confidential information or documents to which they gain access due to their position. They shall consult only those documents and dossiers that they are authorised to access, and shall allow access thereto to third parties only in cases provided for by law, and to colleagues for reasons of service, in accordance with the provisions issued by the office.

The conduct of employees and workers of DAVINES must be based on the utmost confidentiality, including outside of working hours, in order to safeguard corporate know-how. Consequently, without prejudice to the

observance of privacy protection standards, they shall respect professional secrecy and ensure that all news and information acquired when carrying out their duties remains confidential.

These prohibitions extend also to family members, cohabitants, collaborators and anyone who, due to their relationship with the holder of the information, may obtain access to it.

The confidentiality obligation must also be observed after the end of the employment relationship.

#### **4.5 CONFLICTS OF INTEREST**

The term 'conflicts of interest' refers to all legally anomalous situations in which a director, employee or worker finds themselves in a position to exercise powers allocated to them by DAVINES, whilst at the same time holding economic, personal or third party interests that are incompatible with said powers.

All executives, employees and workers are obliged to avoid situations in which conflicts of interest may arise and to refrain from benefiting themselves or third parties from activities carried out during the performance of their duties.

If situations of conflict with the interests of the Company should arise in relation to Addressees, even if only potential ones, the individual in question should immediately notify their immediate superiors, refraining from adopting any conduct that may be attributed to the situation in question.

Purely by way of example, situations of conflict include:

- economic and financial interests that are personal or pertain to a spouse, blood relative and/or relative by marriage up to the second degree of affinity, with suppliers or competitors of the Company;
- performance of work activities of any kind with suppliers, partners or competitors of the Company;
- acceptance of money or favours from individuals or companies that have or intend to enter into business relations with the Company.

#### **4.6 WORK ENVIRONMENT**

Each employee or worker of DAVINES is obliged to apply the rules of civil coexistence and courteous relations in the work environment, as provided for and governed by laws and regulations, as well as by common practice.

DAVINES recommends that its employees maintain a work environment that is respectful of the sensibilities of others. Therefore, anyone who, during the course of their working activities and in the workplace, adopts conduct that is contrary to civil coexistence and safety standards shall be deemed responsible for having knowingly placed the existing environment in danger.

Relations between employees, at all levels, must be based on the criteria of integrity, collaboration, fairness and mutual respect. DAVINES demands that there be no instances of harassment in either internal or external working relations, by which it means, purely by way of example:

- the creation of a work environment that is intimidating, hostile or isolating towards individuals or groups of workers;
- unjustified interference with the performance of others' work;
- obstacles to others' individual work prospects purely for reasons of personal competitiveness.

In relations that involve the establishment of hierarchical relations, authority must be exercised with fairness and integrity, avoiding any abuses. Sexual harassment is not permitted or tolerated in any way, and conduct or discourse that may offend individual sensibilities must be avoided.

#### **4.7 REPORTING OBLIGATION**

All Addressees of the rules contained in this Code who, through their position, become aware of the existence of administrative or procedural irregularities, omissions or falsifications must report this immediately to their hierarchical superior and, in the event that said irregularity also involves the holder of that position, to the Supervisory Body appointed pursuant to Legislative Decree No. 231/2001.

### **5. ETHICAL PRINCIPLES IN THE SYSTEM OF RELATIONS**

The complexity of the corporate activities is directly linked to the network of internal and external relations that DAVINES maintains with its various Stakeholders, which has a multiplying and potentially modifying effect on individual conduct. When developing the resulting relationships, DAVINES requires its directors, employees and workers to adopt conduct in line with ethical principles that fully align with the provisions for the strictly individual aspect.

Those parties (individuals, groups, organisations, institutions) whose contribution is required for the achievement of the DAVINES corporate mission, or who in any case have an interest in the pursuit thereof, are classed as Stakeholders. Those considered to be Stakeholders include shareholders, the Board of Directors, executives and employees, financial institutions, clients, suppliers, workers (whether employed by the Company or independent), government authorities and the local community.

The maintenance and development of relationships of trust and cooperation with Stakeholders is therefore of primary importance to DAVINES, with a view to the mutual satisfaction of all parties involved.

#### **5.1 RELATIONS WITH SHAREHOLDERS**

DAVINES carries out its activities whilst providing shareholders with suitable information about the Company's strategic choices and the progress of its operations.

In its relations with shareholders, DAVINES guarantees honesty and clarity in the assumption of the obligations of its mandate, as well as in the faithful and diligent fulfilment thereof.

#### **5.2 OBLIGATIONS OF THE CORPORATE BODIES**

The activities of the Company's corporate bodies (Shareholders' Meeting, Board of Directors, Board of Statutory Auditors) are based on complete respect for the rules set forth by the Articles of Association and the national and EU legislation in force, as well as by the Organisation and Management Model adopted pursuant to Legislative Decree No. 231/01.

The individuals that make up the corporate bodies are required to:

- actively commit themselves so that the Company can benefit from their specific expertise;
- continually participate in the work of the corporate bodies, promptly reporting any situations of conflict of interest that they may be involved in;

- keep all information acquired during the fulfilment of their mandate confidential;
- always prioritise the interests of the corporate mission.

### **5.3 SUPERVISORY BODY PURSUANT TO LEGISLATIVE DECREE NO. 231/01**

The Supervisory Body pursuant to Legislative Decree No. 231/01 is appointed by the Board of Directors, together with the adoption of the relative “Crime Prevention Model”.

Based on the information it receives or acquires during its supervisory activities, the Body verifies the application of the Code of Ethics in relation to administrative responsibility for crimes, as well as respect for the preventive measures adopted by means of the relative Model.

### **5.4 RELATIONS WITH EMPLOYEES**

The evaluation of staff to be hired is carried out based on the extent to which the candidates’ profiles meet the Company's requirements, whilst safeguarding equal opportunities for all involved. The information requested is strictly linked to the professional and psychometric profile required, whilst respecting the private domain and opinions of the candidate.

Within the limits of the information available, DAVINES adopts appropriate measures to avoid favouritism, nepotism and any forms of clientelism during staff selection and hiring processes.

Staff are hired on an employment contract under the terms provided for by the regulations and collective bargaining in force. Irregular work positions are not permitted.

Prior to establishing the employment relationship, each employee receives adequate information about the regulatory and pay aspects of the contract, meaning that their acceptance of the job confirms their awareness of its content.

DAVINES avoids all forms of discrimination against its employees. Its staff management processes are based on meritocratic principles and the relative remuneration is calculated based on objective criteria.

DAVINES undertakes to protect the moral profile of its employees and to guarantee the right to working conditions that respect individual dignity. For that reason, it prohibits all acts of psychological violence and combats any attitude or conduct that is unfair or damaging to any individual or to their beliefs or preferences. It is also prohibited to conduct any survey on employees’ ideas, preferences, personal tastes and private life in general.

### **5.5 RELATIONS WITH INTERMEDIARY AND END CLIENTS**

DAVINES bases its activities on satisfying the needs of the parties that use its cosmetic products and related services, and on the principles of quality and the complete satisfaction of users.

DAVINES undertakes to provide its users with safe, high-quality cosmetic products with a low environmental impact.

Furthermore, Davines aims to have a positive impact on its clients via the organisation of dedicated training and professional updating courses.



## 5.6 RELATIONS WITH SUPPLIERS

DAVINES asks its suppliers to respect the ethical principles contained in this Code and, as the Company deems this aspect to be fundamental for the establishment of a good business relationship, its supply contracts contain an obligation to be familiar with the content of the Code and consistently apply its principles.

DAVINES asks its suppliers to familiarise themselves with the ethical principles contained in this Code, deeming this aspect to be fundamental for the establishment of a good business relationship.

When selecting its suppliers, DAVINES operates with the aim of achieving the best possible competitive advantage whilst adopting non-discriminatory conduct. Alongside economic suitability, DAVINES takes into account the technical/economic capacities of suppliers, conducting a global assessment of their reliability with regard to the peculiarities of the activities to be performed, as well as the level of the services provided by them.

In order to guarantee integrity and independence in its relations with suppliers, DAVINES adopts the utmost transparency and efficiency within its purchasing process, by:

- observing internal procedures for supplier selection and management;
- combining the consistency that the supply requires and that stipulated by the relative contract;
- adopting suitable formalities for documenting the choices made;
- storing information and documents relating to the selection of suppliers, as well as contractual documents, for the periods established by the regulations in force and set out in the internal purchasing procedures;
- promoting respect for environmental quality criteria and guaranteeing conformity with ethical and legal principles, including those of social importance, such as the correct application of workplace health and safety standards, and for collective employment contracts, with regard to obligations concerning tax and social security contributions and remuneration.

DAVINES also ensures that the competent departments and employees:

- do not deny any supplier company in possession of the prerequisites the possibility to compete to be awarded a supply contract, adopting objective assessment criteria in the selection process, in accordance with declared and transparent methods;
- do not induce suppliers to enter into an unfavourable contract in an attempt to gain subsequent advantages;
- embark upon activities that involve payment only after entering into the relevant contracts;
- do not receive gifts or any other form of benefits that are not attributable to normal forms of courtesy.

Relations with suppliers (within the amount limits established by internal procedures) are always governed by specific contracts aimed at achieving the utmost clarity in governing the relationship.

## 5.7 RELATIONS WITH PUBLIC INSTITUTIONS

DAVINES' relations with public institutions are reserved on a priority basis for the Board of Directors, the Chairman and the Chief Executive Officer.

Relations pertaining to the Company's activities with public officials or with public service officers – who operate on behalf of government authorities, EU institutions, international 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 respect of the laws and regulations in force, as well as the

principles set out in the Code of Ethics and in the Model pursuant to Legislative Decree No. 231/2001, so as not to compromise the integrity and reputation of both parties.

The principles of honesty and integrity must form the basis of relations with the aforementioned parties, particularly in operations relating to contracts, authorisations, licences, concessions, applications for and/or management and use of loans, relations with supervisory authorities or other independent authorities, tax collection entities, etc.

It is not permitted - either directly or indirectly, or via an intermediary - to offer or promise money, gifts or compensation, in any form, or to exert unlawful pressure, or to promise any service, performance or favour to executives, civil servants or employees of government authorities, to public service officers, or to their relatives or cohabitants, with the aim of inducing the performance of an ex officio act or an act that is contrary to the official duties of government authorities.

DAVINES staff who receive explicit or implicit requests for benefits of any kind from parties pertaining to government authorities must immediately:

- suspend any relations with them;
- depending on the party involved, inform the Board of Directors, their hierarchical superior or the Supervisory Body.

It is not permitted to use or present statements or documents that are false or that make untrue claims, or to omit information in order to achieve, to the advantage or in the interests of DAVINES, contributions, loans or other disbursements, regardless of how they are referred to, granted by the state, a public body or the EU.

It is forbidden to mislead anyone with artifice or deception in order to secure an unfair benefit for the Company, to the detriment of others. The violation of this prohibition is even more severe if the misled party is the state or a public body. It is also prohibited to use contributions, loans or other disbursements, regardless of how they are referred to, granted to the Company by the state, a public body or the EU, for purposes other than those for which they were allocated.

## **5.8 RELATIONS WITH POLITICAL AND TRADE UNION ORGANISATIONS**

DAVINES does not disburse contributions in any way to political or trade union parties, movements, committees or organisations, or to their representatives or candidates.

DAVINES refrains from assuming initiatives that may directly or indirectly constitute forms of undue pressure in relation to political or trade union representatives or organisations.

The Company governs its industrial relations with protocols and deals with trade union organisations, where provided for by the applicable national bargaining rules, with transparency and good faith.

## **5.9 RELATIONS WITH THE MASS MEDIA**

DAVINES' communications with external parties and relations with the media are reserved exclusively for the departments and the corporate responsibilities delegated to them, usually the Board of Directors, the Chairman and the Chief Executive Officer for the competent departments, with the support of the offices responsible for communication and external relations, making sure that the information provided to external parties is:

- established without any kind of discrimination, through stable channels of communication with all institutional interlocutors in the territory in question, as well as staff and market competitors;
- such that it represents the interests and positions of DAVINES truthfully, transparently, homogeneously and accurately;
- such that it avoids behaviour of a collusive nature.

The other Addressees of the Code of Ethics may not provide information to representatives of the mass media, nor commit themselves to providing information without the authorisation of the competent departments. In particular, statements that are damaging to the image and interests of DAVINES are prohibited; parties that receive requests from the media are required to address them to the relevant departments.

The preparation of publications of a scientific, technical or cultural nature relating to the Company's activities must be authorised in advance by the competent departments, and must not disclose any confidential information.

## **5.10 CONTRIBUTIONS AND SPONSORSHIPS**

The Company may comply with requests for contributions, limited to proposals from entities and associations with regular articles of association and deeds of incorporation, provided that any profit-making purposes are explicitly absent and their objective is of a high cultural, social or charitable value.

Any sponsorship activities are intended only for events or organisations that offer a guarantee of quality and in relation to which any possible personal or corporate conflict of interest can be ruled out.

## **6. IMPLEMENTATION AND CONTROL PROCEDURES**

### **6.1 ADOPTION OF THE CODE OF ETHICS**

This Code of Ethics applies to the conduct adopted by Stakeholders, subsequent to its adoption by the Board of Directors. To that end, the Code of Ethics is made available to all employees and workers of the Company and can be accessed online by all Stakeholders.

By adopting the Code, the Company has established:

- all rules of conduct in internal and external relations, demanding respect for them by all workers, consultants and, to the extent to which it is applicable, external interlocutors;
- all principles of organisation and management of the Company, aimed at creating an efficient and effective system for planning, executing and monitoring activities in such a way as to ensure constant respect for the rules of conduct and to prevent the violation thereof.

### **6.2 UPDATING**

With a resolution of the Board of Directors, the Code of Ethics can be amended and supplemented, including based on suggestions and indications from the control bodies.

Each revision and/or substantial variation of the Code of Ethics must be communicated to all parties and organisations concerned using the same procedures followed for its issuance.

### **6.3 DELEGATION OF POWERS**

Because of the structure of its activities and its organisational complexities, DAVINES adopts a system of delegation of powers and duties, setting out in explicit terms the allocation of responsibilities to individuals with the appropriate abilities and expertise.

In relation to the scope of the delegated powers, DAVINES adopts and implements an Organisation and Management Model, which sets out suitable measures to ensure that activities are performed in accordance with the law and the rules of conduct of this Code, and to promptly identify and eliminate situations of risk.

### **6.4 INTERNAL CONTROL SYSTEM**

Responsibility for creating an effective Internal Control System is allocated to senior figures within the organisation, and in particular to those who, at various levels, perform duties pertaining to the management and control of operating areas and corporate departments.

The term 'internal controls' refers to all activities and tools that are necessary or useful for directing, managing and verifying activities aimed at guaranteeing:

- oversight of the cost effectiveness and efficiency of operations, in accordance with corporate strategies, objectives and policies, aimed at safeguarding the Company's assets;
- the suitability of the information system, in terms of both the components aimed at preparation of the financial statements for publication and those aimed at preparation of internal reporting on operations;
- compliance with the regulations applicable to DAVINES' activities;
- reliability and honesty of accounting documents;
- prevention of crimes by means of the Organisation and Management Model pursuant to Legislative Decree No. 231/01.

The internal controls on processes are enforced by the individual Organisational Units and their respective heads.

All employees and workers, in the context of the duties and activities they carry out, are responsible for the definition and correct functioning of the control system.

Each operation must be supported by adequate documentation to be stored in the records, so as to allow for controls on the justifications for and characteristics of the operation and the specific identification of the individuals who, during the various phases, authorised, performed, recorded and verified it.

The Board of Directors, Chairman, Chief Executive Officer, executives, employees and workers, each in the context of their respective responsibilities and duties, are obliged to strictly observe the procedures and be fully available for cooperation with and reporting to the Supervisory Body, which may carry out any checks it deems appropriate in order to verify compliance with the Code of Ethics.

## **7. SYSTEM OF SANCTIONS FOR VIOLATIONS OF THE CODE OF ETHICS**

### **7.1 IDENTIFICATION OF VIOLATIONS OF THE CODE OF ETHICS**

Every party operating in the name and on behalf of DAVINES is required to identify any violations of the Code of Ethics.

Events and behaviours classifiable as violations of the Code of Ethics must be reported to the Chairman and the Chief Executive Officer, who shall take the necessary initiatives, launching internal investigations where necessary.

Said parties must also inform the Supervisory Body of such violations for information purposes.

## **7.2 INTERNAL INVESTIGATIONS**

The investigation procedure concerning a violation of the Code of Ethics aims to safeguard both the objective nature of the analysis and the right of the staff involved to express their own counter-deductions, in accordance with the provisions of Article 7 of Law No. 300 of 20 May 1970 and of the collective contract applicable to the employment relationship, or of the regulations applied, if different, by the relevant associated organisational unit.

The investigative activities are carried out in such a way as to avoid any form of retaliation, discrimination or penalisation against the whistle-blowers, as well as guaranteeing their anonymity and the confidentiality of the facts reported by them, without prejudice to legal obligations and the protection of the Company's rights.

If the investigation reveals a violation or suspected violation, not just of the Code of Ethics but also of the Organisation and Management Model pursuant to Legislative Decree No. 231/2001, the Chairman and the Board of Directors are required to promptly notify the Supervisory Body.

In such cases, the information to be passed on to the Supervisory Body concerns:

- provisions and notices issued by judicial police bodies or similar authorities detailing investigations under way for crimes pursuant to Legislative Decree No. 231/2001, including when initiated against persons unknown;
- requests for legal assistance made by executives and/or employees in the event of the launch of judicial proceedings against them for said crimes;
- reports drawn up by those in charge of control activities detailing facts, actions, events or omissions with critical profiles pursuant to the rules set out in Decree 231/2001;
- anomalies or atypicalities identified in relation to the rules of conduct provided for by the Code of Ethics and by the internal regulations and procedures in relation to the aforementioned crimes.

In order to carry out verifications after receiving a report, the Supervisory Body addresses the parties that filed the report.

## **7.3 APPLICATION OF SANCTIONS**

The observance of the rules contained in the Code of Ethics should be considered to be an essential part of the contractual obligations set forth for employees of the Company, pursuant to Article 2104 ("Diligence of the worker") of the Italian Civil Code, as well as for workers and all parties who operate in the name and on behalf of DAVINES.

Violation of the aforementioned rules constitutes non-fulfilment of the obligations arising from the employment relationship, with all legal consequences, including with regard to retaining said employment.

In the event of violations of the Code of Ethics, DAVINES shall adopt sanction measures in accordance with the criteria of coherence, impartiality, uniformity and proportionality, as well as in compliance with the provisions

that govern its employment relationships. In such cases, DAVINES shall reserve the right to exercise all necessary and appropriate actions for compensation of the damage suffered as a result of the conduct of the party in question.

With regard to violations of the Model adopted pursuant to Legislative Decree No. 231/01, the sanction criteria shall be defined by the Chairman and the Chief Executive Officer, having heard the opinion of the Supervisory Body, in such a way as to safeguard the characteristics of objectivity and gradation according to severity.