




**ferplast**  
new pet generation

# Organization, Management and Control Model - Group Code of Ethics

ex ITALIAN LEGISLATIVE DECREE no. 231 of 8 June 2001 and subsequent as amended

Document approved on \_\_\_\_\_

CEO \_\_\_\_\_

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## INTRODUCTION

This Company, just like all the others that are part of the FERPLAST group, is very careful with the ethical aspects of the firm and considers legality and correctness as being essential for carrying out its business activity. While working, the Company intention is to observe laws and regulations in force, and also the inspirational principles and extremely high ethical standards that are presented in this Group Code of Ethics.


Ethics in business is an extremely important approach for the smooth functioning and credibility of the companies that are part of the FERPLAST Group towards clients, suppliers, associates and, more in general, towards the whole economic context in which they operate.

The FERPLAST Group intends transforming its knowledge and appreciation of ethical values into a competitive advantage, and this is why all the Group Companies have decided to use this Code of Ethics (hereinafter "Code of Ethics" or even "Code") in order to establish and confirm in one document the principles of correctness, loyalty, behavioural integrity and transparency, its way of working and how both internal and third-party relationships are handled.

The "Recipients" of the Code of Ethics are all those people who operate in one of the Group Companies: employees, managers, control bodies and also internal and external collaborators which contribute in reaching Company or Group objectives on management and surveillance.

These people must therefore become familiar with the contents of the Code of Ethics, and help by implement it and spreading the principles developed in it.

The regulations in this Group Code of Ethics integrate the behaviour that the Recipients must observe in virtue of both civil and criminal laws, regulations in force, and the obligations indicated by collective bargaining. The conviction of acting in an advantageous manner for one of the Group Companies or for the Group as a whole cannot justify behaviour that contrasts with these principles.

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Recipients of the Code of Ethics damage the Companies or the Group as a whole when they violate Code regulations and infract the relationship of trust that exists between them and the individual Group Companies; said recipients will be sanctioned.


The Code of Ethics will be applied by the Administration of each Company that uses the company structures; application will be controlled by the Supervisory Committee, as established by Italian Legislative Decree 231/2001 (hereinafter "Supervisory Committee").

## I. GENERAL PRINCIPLES

According to the limits of their authority, and while working for the Group Companies or the FERPLAST Group as a whole, the Recipients of this Code must:

- act in an informed manner in respect of laws and regulations in force;
- treat honestly, correctly, impartially and without prejudice clients, associates, employees, suppliers, the surrounding community and the institutions that represent it, including every public officer or those who perform a public service, as well as every third party with whom a relationship is started for professional reasons;
- compete fairly on the market with competitors;
- protect the health and safety of themselves and others;
- monitor and, wherever possible, minimise any company activity that can place the environment at risk;
- maintain confidential information about the Company, its *know-how*, its employees, clients and suppliers;
- work following the principle that each operation or transaction must be registered correctly, authorised, be checkable, legitimate, coherent and congruous;
- avoid or declare beforehand possible conflicts of interest with the Company;
- use the intellectual assets and materials of the Company, including computers, in respect of the general regulations and their purpose of use, and in a manner that protects their preservation and functionality, in respect of the rights of intellectual property of third parties, avoiding use that violates any and every legal rule.

Following the interest of one of the Group Companies or the Group as a whole cannot justify behaviour by management or collaborators that does not respect laws in force and the regulations of this Code.

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## II. BEHAVIOUR when DOING BUSINESS

All Group Company actions and operations must be correctly registered, and the decision, authorisation and implementation processes must be checkable.

Each operation must have suitable documented support in order to carry out checks, at any moment, that confirm the characteristics and reasons for the operation, and which identify those who authorised, carried out, registered and checked it.

The Group Companies guarantee the traceability of financial flows from and to external sources, and the traceability of payments, with particular reference to clients, suppliers and external consultants.

Strictly professional behaviour must be maintained in relationships with directors, general managers, unions or liquidators, and in general with others presented by them who work for third party companies, in particular clients. Those who work for the company cannot accept offers, bribes, or any other benefits of a personal nature. Any action carried out by the aforementioned which even only suggests that said people have violated the obligations of their office, or their loyalty to the companies they work for, is forbidden.

No Group Company can enter into business relationships with third parties that are known, or even reasonably supposed, to take part in illegal activities or acts of terrorism.

### A) Relationships with clients

Each Group Company aims its work at quality, intended essentially as being the objective of complete user satisfaction; companies pay attention to requests that can help improve the quality of the offered services.

The Group Companies guarantee correctness and clarity when dealing with clients, as well as correct and diligent contract fulfilment. Any communication or advertising messages for clients must be simple, clear and complete; misleading and/or incorrect procedures cannot be followed.

## B) Relationships with suppliers

Relationships, including financial and consultancy, with suppliers must abide by the principles of this Code of Ethics and will be constantly and carefully monitored by the Group Companies.

Each Group Company will only use suppliers who operate in compliance with laws in force and the regulations indicated in this Code. The selection of said suppliers and determination of the purchase conditions are based on an objective evaluation of the quality and price of the products and services that are offered, together with the ability to supply and guarantee quick service and products of a level that is suitable for Group or Company requirements. One supplier must not be preferred to another because of relationships or personal advantages, only the exclusive interests of and benefits to the Companies or the Group must be considered.

Machinery and equipment suppliers must also be selected on the basis of how well their supplies respect the regulations on safety and hygiene in the workplace.

The supplies of personal protective equipment and general devices for safety and prevention will comply with obligations regarding general and specific certification and suitability in relation to use.

The technical and professional suitability of third parties, together with their adherence to the specific obligations of law regarding health and safety in the workplace, must be checked before sub-contracting work for the supply of goods and services that are to be carried out inside the various Group Companies that have the availability.

All Group Companies have relationships exclusively with firms that ensure respect for rights of children and adolescents in accordance with the principles set out in relevant international conventions.

Therefore, the Suppliers are asked to ensure that goods and services covered in the supply contract at any stage of their manufacture, execution or transformation both in Italy and abroad are not made by child labour:

- in a state of slavery or practices similar to slavery, such as the sale of or traffic in children, forced or compulsory labour, debt bondage and enslavement;

- if it can be detrimental of health, safety, education or morality of minor;
- by people younger than the permissible age for working established in the legislation of the place in which the work is carried out and, in any case, younger than 14, unless an exception is expressly provided by international conventions.

### **C) Relationships with employees**

Human resources are an essential factor for the existence, development and success of the FERPLAST Group. This is why the Group protects and promotes the value of human resources by improving and adding to the skills of each collaborator, even if seasonal, within the Company.


Each Group Company offers equal opportunities to all employees on the basis of their professional qualifications and the individual skills of each one, without discriminating on age, religion, ethnic or geographic origins, sexual, political or union preferences and avoiding any form of discrimination prohibited by applicable law. The various Companies, through the dedicated departments, select, hire, pay and manage human resources on the basis of merit and skill, in respect of collective bargaining in force and the award system used, which is objective and reasonable.

The working environment is characterised by reciprocal collaboration that favours team spirit in respect of the moral personality of each person, and there is no prejudice, intimidation, illegal peer pressure or undue hardship.

Employees work according to the highest standards of quality and safety, in respect of the regulations defined in this Code of Ethics and in the operation procedures defined by the various Group Companies.

Every Group Company shares all the principles set out in the United Nations Universal Declaration of Human Rights and in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.

In particular, every Group Company undertakes to respect and promote:

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1. the right to work with just and favourable conditions of work and with a fair remuneration and the right to rest and leisure including reasonable limitation of working hours and periodic holidays with pay;
2. freedom of association and the effective recognition of the right to collective bargaining;
3. the elimination of forced and compulsory labour;
4. the effective abolition of child labour;
5. the elimination of discrimination in respect of employment and occupation.

#### **D) Relationships with competitors**

All the companies of the FERPLAST Group believe in free and loyal competition, and aim at obtaining competitive results that award ability, experience and efficiency.

Each Recipient must behave correctly when dealing with Company business, and in relations with Public Administration.

Any action that alters the conditions of correct competition is against the company policy of the Group, and is forbidden to anyone who acts on behalf of the various Group Companies or the Group as a whole.

Following the interests of the Group Companies or the Group as a whole cannot justify behaviour that goes against the regulations of this Code.

All external communication regarding the Group Companies or the Group as a whole and their activities must be true, clear and checkable.

#### **E) Relationships with Public Administration**

In relationships with Public Administration, each Group Company must make sure that all actions, behaviour or agreements are clear, correct and legal. If possible, each Group Company will not entrust a whole process to a single physical person, on the presupposition that a plurality of subjects and offices help minimise the risk of interpersonal relationships that are not coherent with the will of the Group. When applying

the above principle to inspection and authorisation relationships, each Company shall favour the plurality of company interlocutors, always on the presupposition that this minimises the risk indicated previously.

Behaviour that either directly or indirectly influences the counterpart to make an incorrect decision cannot be used in relationships with public officials. In particular, job and/or business opportunities that can advantage Public Administration employees, even indirectly, cannot be proposed.

Consultants that represent or receive technical-administrative assistance in relationships with Public Administration must respect Company regulations. Professionalism and correctness will be privileged when selecting these consultants; extreme care and caution will be used when evaluating the establishment of relationships with those subjects who worked previously with Public Administration or who are related to specific officials.

All requests for allocations, contributions, financing, allowances from public, national or community organisms are made according to applicable regulations and, in particular, the principle of separation of duties, registration and document traceability; once issued, they can only be used for the purposes they were appropriated for.

#### **F) Gifts**

Gifts, bribes or advantages that can be interpreted as being in excess of the normal business or courtesy procedures, or aimed at acquiring illegal favourable treatments when carrying out any activity that can be connected to the Group Companies or the Group as a whole, cannot be accepted or offered. It is forbidden to offer gifts, bribes or advantages to public officials, either Italian or foreign, or their families, in order to influence their independent judgement.

Any gifts offered to third parties must be exclusively of moderate value, duly documented and authorised by the manager of the relative department.

The Recipients of this Code of Ethics who receive gifts that are not of modest value, or who are urged to issue gifts of a value that is not modest, must inform the Supervisory Committee established as dictated by Italian Legislative Decree 231/2001, wherever present.

### III. HEALTH, SAFETY, ENVIRONMENT

#### A) Health and safety at work.

Protecting health and safety at work is a primary objective of the FERPLAST Group.

The Group companies work at all levels to guarantee the physical and moral integrity of their collaborators, working conditions that respect the dignity of everyone, and safe and healthy workplaces, in full respect of the specific laws in force.

Health and safety in the workplace are essential elements for the success of the Group companies; it is therefore necessary that each employee contributes.

Each Group company evaluates all the risks for the safety and health of its workers, even when choosing working equipment, the substances or chemical products used, and the layout of the workplaces.

Every type and level of decision made by the company regarding safety and health at work must consider these fundamental principals and criteria:

- risk prevention;
- the evaluation of risks that cannot be eliminated;
- fighting against risks at their source;
- adapting work to man - in particular regarding the conception of the work positions, the choice of equipment and the work and production methods - to allay monotonous and repetitive work and to reduce the effects that this type of work has on health;
- technical development;
- replacing what is dangerous with what is less, or preferably not, dangerous;
- giving priority to collective protective measures rather than to personal protective measures.

The various Companies programme prevention, aiming at a coherent complex that integrates technique, organisation, working conditions, social relations and the influence of working environment factors.

The FERPLAST Group shall spread and consolidate culture regarding safety to all its collaborators, developing the knowledge of risks and promoting responsible behaviour from all collaborators, and even giving suitable instructions if necessary.

The Recipients of this Code, and in particular the employers and various delegates, managers, people in charge, workers, those in charge of the Prevention and Protection service, the Physician and the Workers' Representative for safety, all contribute to the risk prevention process and the protection of health and safety process, in particular their own, and those of colleagues and third parties. Individual obligations and responsibilities as indicated by relative laws are excluded.

It is generally forbidden to consume, possess and hold alcohol or drugs while working for the company and in company premises. The possession and the holding of alcoholic beverages are exceptionally allowed, but only during holiday periods.

As indicated by law, smoking is forbidden in the workplace and in any circumstance in which it can endanger the company structures and goods, or the health or safety of colleagues and third parties.

**B) Protecting the environment.**

The environment is a primary asset of the community and it is something which the FERPLAST Group helps protect. As a result, when all the Group Companies programme their activities they search for a balance between economic and environmental requirements in full respect of applicable regulations and laws, and they cooperate fully with the Public Authorities that check, survey and protect the environment.

While working for the company, the Recipients of this Code shall fully respect the environment. In particular, they must pay maximum attention to respect laws in force and ensure that illegal discharges, emissions, introductions and spills are avoided. Waste management must follow laws in force.

Each Group company shall spread and consolidate a culture of environmental protection and pollution prevention, developing knowledge of risks and promoting responsible behaviour.

#### IV. EQUAL OPPORTUNITIES AND PROHIBITION OF DISCRIMINATION

FERPLAST Group undertakes to respect the rights and physical, psychological and cultural integrity of all people with which it interacts, ensuring equal opportunities and preventing any form of discrimination.

Each Group Company does not tolerate or allow, with all their partners, any kind of discrimination based on age, gender, sexual orientation, race, physical and health condition, nationality and ethnic origin, political opinions, religion, civil status and any other form of discrimination.

FERPLAST Group undertakes to operate in a fair and impartial manner and it does not tolerate any form of reprisal against employees or collaborators who indicate forms of discrimination, nor against who provide information regarding these forms of conduct.

Companies of FERPLAST Group ensure an adequate attention to all reports received, even acting anonymously.

#### V. TREATMENT OF DATA AND INFORMATION


The data and information that comes to the knowledge of the Group Companies while carrying out their company business are treated in full respect of the confidentiality and privacy of those involved.

Roles and responsibilities are separated when treating said data and information. Third parties who intervene in treatment are bound to confidentiality.

All data and information received by the Recipients of this Code of Ethics in relation to their work or professional relationship are strictly confidential and remain the property of the Group Companies.

Those who have access to said confidential data and information regarding Company activity or company products because they carry out a specific function, profession or hold a specific position cannot use them to their own advantage or to that of others, but only for carrying out their obligations or company activity.

The data and information of a public character regarding the company and its working or professional activity must be treated discreetly.

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Data and information can only be divulged externally by the company departments in respect of laws, transparency and truth of said data and information.

All data and information transmitted to the Public Administration must be true, correct, transparent and complete, and must be produced and divulged as indicated by company organization procedures and the relative authority flows.

These principles must be respected when treating data and information:

- responsibility;
- transparency;
- limitation of collection;
- purpose of use;
- checkability and quality;
- safety.

## **VI. USE of COMPUTER RESOURCES**

Computer and telecommunication resources are an essential instrument for carrying out Group activity efficiently and competitively, guaranteeing the rapidity, range and correctness of the information flows.

All data and information held in the computer and telecommunication systems of the companies, including email, belong to the various Companies and must only be used for carrying out company activity, applying the methods and remaining within the limits of said activity.

The correct and responsible use of computers and telecommunication instruments also guarantees respect of the privacy regulations; collecting, archiving and divulging the information collected for purposes other than those connected with the business activities of the various Group Companies is forbidden.

Using any computer or telecommunication program on which copyright is held by third parties and for which a license was not obtained previously is forbidden.

In order to prevent relevant crimes and to protect the company and its assets, the use of computer and telecommunication instruments can be monitored and checked by the companies.


## VII. ACCOUNTS AND COMPANY REGISTERS

The Group Companies accurately and completely register all the company activities and operations, in order to actualize maximum accounting transparency and prevent false, misleading or deceptive entries from appearing. The administrative and accounts activities are carried out using updated instruments and computer procedures that optimise efficiency, correctness, completeness and correspondence with accounting regulations, and which also favour the necessary checks and verifications on the legitimacy, coherence and congruity of the decision-making, authorisation, activity execution and company operation processes.

All the Group Companies believe it fundamental for the company balance sheets to be correct, and give their maximum collaboration, supplying correct and true information regarding company activities, goods and operations, as well as with any reasonable request received from competent Organs.

## VIII. COMPANY CONDUCT

Every Group Company believes that company behaviour which formally and substantially respects regulations must always be used. Free deliberations at meetings are protected, transparent and reliable behaviour is used, even before creditors, the integrity of the share capital and the non-distributable reserves are protected, the behaviour of all the Group Companies is characterised by maximum collaboration with the Authorities in charge of checking and/or verifying.

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While working for the company, or carrying out activities that have even an indirect effect on it, the Recipients of this Code must avoid any form of association which could involve them in a crime of any sort.

## IX. CONFLICTS OF INTEREST

The Recipients of this Code of Ethics must avoid all situations and activities in which a conflict of interest with personal economic activities and the work done in the structure they work for can arise.


It is not permitted to follow personal interest that damages the social interests, or personally use company assets without authorization; considering this, the Administrators cannot hold interests, either directly or indirectly, in competing companies, clients, suppliers or those in charge of accounting certification, unless prior communication was sent to the Supervisory Committee, where present; this results in a survey, with the Governing Body being informed where opportune.

## X. IMPLEMENTATION AND CHECKS

In respect of regulations in force and regarding the planning and management of company activity aimed at effectiveness, correctness, transparency and quality, each Group Company shall use organization and management measures that are suitable for preventing unlawful behaviour or behaviour that is contrary to the regulations of this Code by any subject who acts on behalf of the Company.

In relation to how jobs and the internal organization are managed, each Company can use a system to delegate powers and functions, attributing specific duties to people with the correct level of skill and competence.

Each Company uses and implements measures that guarantee job execution in respect of laws and the rules of behaviour given in this Code, and will quickly uncover and eliminate risk situations.

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Application of the Code of Ethics is delegated to the Governing Body of each Company, with the help of the Supervisory Committee, where established, to which these duties are given:

- a) controlling Code observance and diffusion;
- b) checking each notification of Code violation and informing the bodies and dedicated company officials of the check results, for the possible application of sanctions;
- c) proposing modifications to the Code in order to adapt it to the changing context in which the Group Companies have to work, and to the requirements deriving from the organizational development of these Companies.

This Code of Ethics is widely spread inside the Group companies and is available for any company representative.

## **XI. SIGNALLING VIOLATIONS**


Violations to this Code of Ethics can be signalled confidentially by any recipient directly to the Supervisory Committee, where present.

The procedures followed to check signalling and violation observe privacy and protect confidentiality.

## **XII. SANCTIONS**

Violating the indications given in this Code of Ethics is considered as a disciplinary offence and the non-implementation of contractual obligations regarding hired or functional work or professional collaboration, with every resulting effect of law and contract; it can also lead to justified dismissal.

This Code therefore gives the Group Companies the right to apply the disciplinary sanctions of the Collective Agreement, as well as those in the Organization, Management and Control Model as per Italian Legislative Decree 231/2001, where used, and to which reference is made for details of the disciplinary system.

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### XIII. FINAL PROVISIONS

This Code of Ethics is effective immediately and remains so until it is revised. All Recipients must become familiar with it and observe it.

The Chief Executive Officer: \_\_\_\_\_



This document is a translation, the original version is in Italian language

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