



**Carlo Gavazzi Impianti**  
Engineering and Contracting

## *CODE OF ETHICS*

*CARLO GAVAZZI IMPIANTI S.p.A*

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## 1.0 INTRODUCTION

Carlo Gavazzi Impianti S.p.A. works in Italy and abroad in compliance with the law and with a sense of moral responsibility and integrity.

Carlo Gavazzi Impianti S.p.A. is convinced that ethical conducting of business and management of one's activities and internal and public relations are essential tools for building the Company's image and reputation and achieving its strategic goals and therefore attaining success.

In this conviction Carlo Gavazzi Impianti S.p.A. considers it essential to outline the principles the Company acknowledges and shares and explicitly state the standards applying to behaviour in relation to these principles.

This Code of Ethics is therefore the formal expression of the values in which the Company believes and the rules that all Carlo Gavazzi Impianti S.p.A. employees and associates are required to follow and – in the context of their functions and responsibilities – ensure that others following to ensure the legality, correctness and transparency of its business and ensure respect for the basic, legitimate rights and duties of its employees, partners and counterparts.

Suppliers, subcontractors, partners and anyone else who has business relations of any kind with Carlo Gavazzi Impianti S.p.A shall be required to adapt their conduct to meet the requirements of this Code of Ethics.

## 2.0 ADOPTION OF THE CODE OF ETHICS BY CARLO GAVAZZI IMPIANTI S.p.A.

The Code of Ethics adopted by Carlo Gavazzi Impianti S.p.A.:

- defines the Company's essential ethical principles;
- states the Company's rules of conduct applicable to its employees, associates and counterparts, ensuring that these rules are expressed in the methods implemented for ensuring recognition of their rights and expectations;
- establishes the basic rules of conduct with which everyone – employees, associates and external counterparts, to the extent that they are involved – must comply to guarantee their duties, legality in the performance of their work and therefore prevention of offences;
- identifies the system used to control implementation of the rules of conduct prescribed and report and sanction any failure to comply.

### 2.1 ETHICAL PRINCIPLES

The basic ethical principles characterising Carlo Gavazzi Impianti S.p.A.'s code of conduct may be summed up as follows:

- **Legality:** compliance with regulations and legislation in effect in the countries in which the Company works, the Company's instructions and Customers' specific instructions, where applicable.
- **Loyalty:** keeping one's word and the terms of agreements.
- **Integrity:** correct behaviour in all activities and decisions (it is not admissible to take advantage of another's position of weakness or ignorance or to give misleading information).
- **Transparency:** completeness, uniformity and timeliness of information provided within and outside the Company, within the limits of protection of the Company's privacy and confidentiality.
- **Quality:** compliance of products and services to the quality requirements set forth in regulations, Company standards and the applicable contractual specifications.
- **Safety and environment:** safeguarding human health and safety and the environment.
- **Privacy:** protection of the personal data of individuals, legal entities, organisations and associations.
- **Confidentiality:** compliance with the secrecy of Company data and information which is not in the public domain.
- **Respect for human dignity:** respect for people's rights, guarantee of equal opportunities and absence of discriminatory behaviour (on the basis of political and trade union affiliation, religion, race, nationality, age, sex, health, etc.).

## 3.0 APPROVAL OF THE CODE OF ETHICS

This Code of Ethics has been approved by resolution of the Carlo Gavazzi Impianti S.p.A. Board of Directors.

### 3.1 UPDATING THE CODE OF ETHICS

This Code of Ethics will be updated whenever necessary on the basis of the directives of the Carlo Gavazzi Impianti S.p.A. Board of Directors: on the occasion of the entry into force of new laws or regulations amending and/or requiring integration of aspects described in it and, in any case, in response to proposals for improvement put forward by the Board of Directors itself or by the Company's Supervisory Body.

Updates to the Code of Ethics are the concern of the Carlo Gavazzi Impianti S.p.A. Board of Directors (or, more generally speaking, the Chairman and Managing Director, if the amendments are merely formal), with the involvement of the Supervisory Body identified below.

#### 4.0 DISTRIBUTION AND APPLICATION OF THE CODE OF ETHICS

Carlo Gavazzi Impianti S.p.A.:

- distributes the Code of Ethics "inside" and "outside" the Company;
- asks its employees and associates to apply the principles of the Code of Ethics methodically;
- asks "external" counterparts to behave in line with the provisions of the Code of Ethics.

Everyone who works in or with Carlo Gavazzi Impianti S.p.A. is therefore required to know and apply the provisions of the Code of Ethics as applicable to his or her duties.

#### 5.0 RULES OF CONDUCT

##### 5.1 PUBLIC RELATIONS

###### 5.1.1 RELATIONS WITH COMPETITORS

Carlo Gavazzi Impianti S.p.A. believes that competition regulated by the principles of loyalty, legality, transparency and correct behaviour is not only clear evidence of professionalism and moral reliability but an essential element for continuing to improve the performance (competitiveness, efficacy, efficiency) of its Company processes.

Carlo Gavazzi Impianti S.p.A.'s policy in conducting its business requires employees and associates to act in strict compliance with these principles; no reason is sufficient to justify failure to comply with them.

The Company therefore prohibits illegitimate favours, collusion and pressure of any kind.

###### 5.1.2 RELATIONS WITH PUBLIC INSTITUTIONS

Relations with public institutions (local, national, European community, international) and public officials must be conducted in strict compliance with the provisions of current legislation, the instructions contained in the "Organisation, Management and Control Model" prepared by Carlo Gavazzi Impianti S.p.A. in relation to Legislative Decree 231/2001 (see point 6.4 below) and the following general ethical principles:

- when participating in public competitions, it is essential to act in compliance with current legislation and the principles of correct business practice;
- during business negotiations, discussion of requirements and business relations or other forms of contact with the public administration, it is essential to comply with the requirements of legislation in this area, and the Carlo Gavazzi Impianti S.p.A. employee or associate involved:
  - must comply with the requirements of point 5.4 of this Code of Ethics regarding potential situations of conflict of interest, gifts and benefits.
  - must absolutely avoid unlawful pressure, even if applied in the Company's interests, and must not request or obtain confidential information which could give it an unfair advantage over other competing companies.

###### 5.1.3 RELATIONS WITH CUSTOMERS

Carlo Gavazzi Impianti S.p.A. supplies competitive, quality products and services which fully meet all its Customers' expectations.

In Customer relations, Carlo Gavazzi Impianti S.p.A. guarantees:

- clarity, fairness and transparency in business negotiations;
- prompt fulfilment of its contractual obligations.

In competitions Carlo Gavazzi Impianti S.p.A.:

- analyses the Customer's requests in detail to be certain that the project is feasible and notify the Customer of any inconsistencies/anomalies/incompleteness in the information;
- prepares proposals on the basis of the Customer's requirements and the Company's policies and guidelines.

Any Carlo Gavazzi Impianti S.p.A. employee or partner involved in activities involving Customer relations must:

- take great care to meet the requirements of all Customers and be fully cooperative without discrimination;
- meet the requirements of contracts stipulated with Customers;

- respond promptly and courteously whenever contacted by Customers and provide exhaustive information so that they can make well-informed decisions;
- implement the provisions of current laws and regulations, the applicable internal procedures and any procedures required by contracts with Customers;
- comply with the instructions referred to in point 5.4 of this Code of Ethics regarding possible situations of conflict of interest, gifts and benefits.

#### 5.1.4 RELATIONS WITH SUPPLIERS AND SUBCONTRACTORS

Carlo Gavazzi Impianti S.p.A. acknowledges the essential role played by Suppliers and Subcontractors in ensuring the quality and competitiveness of the Company's products and services.

In view of the above, Carlo Gavazzi Impianti S.p.A.:

- selects Suppliers and Subcontractors on the basis of their ability to meet requirements. This ability may be summed up as: quality of the product/service offered, price, compliance with delivery deadlines, number of different supplies offered, continuity of supplies, financial circumstances, business ethics, instance of conflict in contract management, adequacy of service centres, willingness to collaborate, implementation of the applicable safety requirements;
- works with Suppliers and Subcontractors apply ethical principles in line with the provisions of this Code of Ethics;
- regulates its relations with Suppliers and Subcontractors on the basis of specific orders/contracts aimed at ensuring clear regulation of the relationship.

Carlo Gavazzi Impianti S.p.A. employees and associates whose tasks involve relations with Suppliers and Subcontractors must:

- implement internal procedures regulating Supplier and Subcontractor selection and relations;
- not exclude any Supplier or Subcontractor in possession of the requirements from participation in competition for assignment of orders/contracts; the choice of Supplier/Subcontractor to be involved must be made on the basis of objective, declared, transparent, documented assessment criteria;
- comply with the provisions of current applicable legislation and regulations;
- observe the established conditions of contract;
- obtain the utmost collaboration of Suppliers and Subcontractors to ensure that their products and services always comply – in terms of quality/price/delivery deadlines – with Carlo Gavazzi Impianti S.p.A.'s and its customers' requirements;
- maintain open, frank dialogue with suppliers and subcontractors in line with good business practice;
- comply with the requirements of point 5.4 of this Code of Ethics regarding potential situations of conflict of interest, gifts and benefits.

#### 5.1.5 RELATIONS WITH PARTNERS

The complex reality of the market on which Carlo Gavazzi Impianti S.p.A. works often requires participation in Temporary Associations of Companies (ATI) or in Consortia with other companies.

Carlo Gavazzi Impianti S.p.A.'s policy involves:

- setting up agreements with Partners of proven respectability inspired by ethical principles in line with those outlined in this Code of Ethics;
- clearly, completely and transparently formalising agreements with Partners in accordance with current legislation;
- maintaining frank, open, collaborative relations with Partners.

Carlo Gavazzi Impianti S.p.A. employees and associates who have relations with Partners as part of their assigned tasks must:

- implement the above and apply internal procedures regulating management of activities in temporary associations of companies or consortia;
- comply with the requirements of point 5.4 of this Code of Ethics regarding potential situations of conflict of interest, gifts and benefits.

#### 5.1.6 RELATIONS WITH ASSOCIATES

Carlo Gavazzi Impianti S.p.A. associates (consultants, agents, representatives, intermediaries, etc.) are required to comply with the principles of this Code of Ethics as applicable to the tasks they perform.

Carlo Gavazzi Impianti S.p.A. employees must, in relation to their duties:

- select their external associates on the basis of their skills and reputation, avoiding situations of conflict of interest (see point 5.4 of this Code of Ethics);
- stipulate partnership contracts specifying the details of the parties' obligations to one another;
- ensure that their associates perform their assigned tasks in strict compliance with the requirements of the contract stipulated.

## 5.2 **EMPLOYEE RELATIONS**

Carlo Gavazzi Impianti S.p.A. believes that human resources are its most important asset. The professional skills of its human resources and the certainty that they work in a context in which loyalty, respect and equal opportunities constitute essential key principles are essential for ensuring the company's growth and achievement of its goals.

Carlo Gavazzi Impianti S.p.A. places its complete faith in its employees, and so it is their specific duty to act in the company's interests and in compliance with the values expressed in this Code of Ethics.

### 5.2.1 EMPLOYEE SOURCING

Carlo Gavazzi Impianti S.p.A. seeks and selects human resources on the basis of candidates' compliance with professional "profiles", the Company' needs and safeguarding of equal opportunities for all. Employee sourcing takes place with respect for candidates' privacy, ensuring correct handling of the data acquired and the assessments resulting from interviews and avoiding discrimination or cronyism.

### 5.2.2 EMPLOYEE HIRING AND MANAGEMENT

- Carlo Gavazzi Impianti S.p.A. hires employees on contract. The contract is stipulated in accordance with the provisions of regulations governing collective contracts and social security, fiscal and insurance regulations. In no case will any form of unofficial or illegal work be tolerated.
- At the time of hiring all candidates are informed of the content of the contract before signing so that they will accept their appointment with detailed knowledge of the contents of the contract.
- The priority of Carlo Gavazzi Impianti S.p.A.'s human resources policy is employee training and professional development to ensure ongoing professional growth and improvement.  
Training and professional development:
  - are managed through specific programmes;
  - are based on the principle of equal opportunities in relation to the results of assessment of skills expressed and potential skills and/or growth .
- Roles and appointments are established on the basis of employees' professional "profiles" and merits and the Company's requirements.
- Carlo Gavazzi Impianti S.p.A. agrees to protect employees from all forms of discrimination, unlawful conditioning and distress. In this regard, it will protect anyone who is subjected to psychological violence and prosecute all forms of oppression or injury to people or their convictions or opinions.

## 5.3 **PROTECTION OF COMPANY ASSETS AND CONFIDENTIAL INFORMATION**

### COMPANY ASSETS

All Carlo Gavazzi Impianti S.p.A. employees and associates are required:

- to carefully keep and protect all resources provided by the Company for use in their work;
- not to make improper use or personal use of assets provided by the company and to prevent others from making such use of them.

### CONFIDENTIAL INFORMATION

Carlo Gavazzi Impianti S.p.A. requires its employees and associates to keep all information they may come into contact with in their work which is not part of the public domain strictly confidential.

Confidential information includes, by way of example but not exhaustively, information on projects, initiatives, negotiations, agreements, accounting figures (forecasts and actual figures), information on human resources, legal information, facts or events which could have an impact on the reputation of the Company and the people who work for it or cause economic or financial harm and/or damage to its image.



## 5.4 CONFLICT OF INTEREST, GIFTS AND BENEFITS

### CONFLICT OF INTEREST

All Carlo Gavazzi Impianti S.p.A. employees and associates are required to avoid all situations of conflict of interest which could have an impact on their independent judgement and permit personal gain; if a conflict of interest should emerge, they are specifically required to inform the Manager involved.

Situations involving conflict of interest include, by way of example and not exhaustively:

- use of one's position in the Company and of information acquired in the course of one's work creating a conflict between one's own interests and those of the Company;
- working for a Customer, Supplier/Subcontractor, Partners, Competitor, Public Institution or Organisation.

### GIFTS AND BENEFITS

Carlo Gavazzi Impianti S.p.A. employees and associates must not:

- directly or indirectly personally offer money, benefits or goods to Managers/Officials/Employees of Customers, Suppliers/Subcontractors, Partners, Public Institutions or Organisations of any kind with the aim of gaining a benefit as a result. Acts of courtesy are permitted only if their value is modest;
- receive gifts (of any kind) or favourable treatment not considered ordinary courtesy and therefore of modest value.

## 5.5 ACCOUNTING TRANSPARENCY

Accounting transparency is an implicit demonstration of the Company's professionalism and therefore constitutes an absolute value for Carlo Gavazzi Impianti S.p.A..

To pursue this value it is essential to ensure that basic accounting information is truthful, accurate, complete and clear to permit transparent accounting records, also in order to provide shareholders and third parties with a clear image of the Company's equity and financial circumstances.

Documentation of basic facts to be reported in the Company's accounts to support accounting records must be accurate, valid, complete, clear and truthful to ensure compliance with this value.

Accounting records must truthfully, accurately, validly and completely represent everything described in the supporting documents.

Anyone who notes any possible irregularities, omissions or false entries in the course of their work must notify the Supervisory Body.

## 6.0 RULES FOR COMPANY MANAGEMENT

### 6.1 QUALITY MANAGEMENT

Carlo Gavazzi Impianti S.p.A. conducts its activities with the aim of ensuring customer satisfaction and the quality of its products and services.

Regulated management and ongoing improvement of Company processes constitute the essential elements for achieving excellence in meeting customers' expectations and in productivity and therefore permitting ongoing growth of Carlo Gavazzi Impianti S.p.A..

For this reason Carlo Gavazzi Impianti S.p.A. has a "Quality Management System" conforming with the requirements of UNI EN ISO 9001 standards, certified by a third party certifier.

All Carlo Gavazzi Impianti S.p.A. employees and associates are required to implement in their tasks and ensure that other people working for the Company implement the provisions of the "Quality Management System" documents prepared, in order to ensure production of products and services which will be up to Customers' expectations and achievement of the economic and development goals established by the Company.

### 6.2 OCCUPATIONAL HEALTH AND SAFETY, ENVIRONMENT



Carlo Gavazzi Impianti S.p.A. performs its activities while protecting its own and other' employees' health and safety and the environment and is committed to setting up and maintaining a productive, healthy, safe workplace.

Carlo Gavazzi Impianti S.p.A.'s policy in this area is translated into its "Occupational Health, Safety and Environment System" regulating aspects of management and operation with the priorities of:

- strictly complying with the provisions of current laws and regulations;
- promoting awareness of Safety and Environment among workers by providing information, education and ongoing promotion of awareness;
- providing the organisational and economic resources required to ensure a safe, healthful workplace;
- conducting inspections to ensure compliance with Occupational Health, Safety and Environment requirements;
- conducting periodic reviews to assess the System's efficacy and efficiency.

Carlo Gavazzi Impianti S.p.A.:

- asks all employees and associates to implement all provisions for protection of Safety and Environment;
- asks Suppliers/Subcontractors/Partners to implement a similar Policy.

### 6.3 PERSONAL DATA TREATMENT (PRIVACY)

Respect for individual's rights, fundamental liberties and dignity, with a particular focus on confidentiality and personal identity and for the rights of legal entities and all other organisations or associations is a basic ethical principle of Carlo Gavazzi Impianti S.p.A..

Implementation of legislative provisions in this area is regulated by internal procedures which must be applied by all Carlo Gavazzi Impianti S.p.A. employees and associates.

The "Personal Data Security System" prepared by Carlo Gavazzi Impianti S.p.A. specifies methods for handling personal data and responsibilities in this regard in relation to employees and the public.

Carlo Gavazzi Impianti S.p.A.:

- prohibits all questions aimed at determining the convictions, opinions, preferences, etc. in individuals' "private sphere";
- prohibits disclosure of information on individuals and legal entities without their consent, except where permitted by law.

### 6.4 ORGANISATION, MANAGEMENT AND CONTROL MODEL (under Legislative Decree 231/2001)

Carlo Gavazzi Impianti S.p.A. has an "Organisation, Management and Control Model" in accordance with the provisions of Legislative Decree 231/2001 ("Regulation of the administrative liability of Legal entities, Companies and Associations, including those not considered legal entities, under Art. 11 of Law no. 300 of 2000), stating the measures implemented to prevent situations in which the particular offences identified in the Decree may be committed; the Decree attributes liability not only to the person actually committing the offence but administrative (and in effect criminal) liability to the Company if offences are committed in its interest or for its benefit.

In order to prevent offences of the type envisaged in Legislative Decree 231/2001 and the offences included in the body of legislation announced subsequently to it and applicable to the Company on the basis of the risk assessment conducted and maintained, Carlo Gavazzi Impianti S.p.A.:

- distributes the "Model" and this Code of Ethics within and outside the Company;
- requires all Company employees and everyone else contributing to achievement of the Company's aims in any way to be familiar with the "Model".

## 7.0 IMPLEMENTATION OF THE CODE OF ETHICS

### 7.1 PREVENTION AND CONTROL

- Carlo Gavazzi Impianti S.p.A. oversees accurate compliance with the provisions of the Code of Ethics and reserves the right to take appropriate action (see point 7.2 below) if behaviour does not conform or fails to protect the Company's image and reputation.

- Carlo Gavazzi Impianti S.p.A. attributes responsibility for overseeing implementation of the provisions of this Code of Ethics with a system of proxies.  
Carlo Gavazzi Impianti S.p.A. specifically:
  - monitors compliance with and the efficacy of its Code of Ethics through its “Supervisory Body” (see point 8.0 below);
  - requires all Department Heads/Managers to ensure compliance with the provisions of this Code of Ethics in their area and notify the Supervisory Body of any violations and/or need to update/improve/implement the Code.

## 7.2 SANCTIONS

The provisions of this Code of Ethics must be considered an integral part of:

- Employees' contractual obligations under Section 2014 of the Civil Code and for the purposes thereof;
- the contractual obligations of external associates and anyone else who has business relations with Carlo Gavazzi Impianti S.p.A..

Carlo Gavazzi Impianti S.p.A. has established sanctions which are:

- proportionate to the violations committed in relation to the provisions of this Code of Ethics;
- impartial and conforming to current legislation and contracts.

In response to violations of the provisions of this Code of Ethics, Carlo Gavazzi Impianti S.p.A. will not only apply the sanctions identified in points 7.2.1 and 7.2.2 below but **take action to claim compensation for any damages suffered.**

### 7.2.1 SANCTIONS AGAINST EMPLOYEES

#### 1. SANCTIONS AGAINST MANAGEMENT STAFF, CLERKS AND WORKERS

The sanctions that may be applied to Management Staff, Clerks and Workers are those identified in the system of sanctions outlined in their national collective agreements, in compliance with the procedures described in Art. 7 of the Workers' Statute and any applicable special legislation.

#### 2. SANCTIONS AGAINST EXECUTIVES

Carlo Gavazzi Impianti S.p.A. will apply the sanctions permitted under the law and national collective agreements to those who behave in censurable ways.

Any powers awarded to the Executive in question may also be revoked, or they may be assigned to a different position, if possible.

If the violation is significant enough to compromise the relationship of trust, the sanction shall be dismissal with just cause.

#### 3. SANCTIONS AGAINST DIRECTORS

In the event of violations committed by Company Directors, the Board of Directors and the Board of Auditors shall decide on the measures to be taken.

### 7.2.2 MEASURES TO BE TAKEN AGAINST ASSOCIATES, PARTNERS, SUPPLIERS AND SUBCONTRACTORS

Violation of the provisions of this Code of Ethics by Associates, Partners, Suppliers and Subcontractors of Carlo Gavazzi Impianti S.p.A. may constitute primary defaulting on contractual obligations, with all the legal consequences, including cancellation of the contract and/or appointment.

## 8.0 SUPERVISORY BODY

Carlo Gavazzi Impianti S.p.A. has a “Supervisory Body” established according to the requirements of Legislative Decree 231/2001 which, in addition to its specific responsibilities of overseeing the operation, efficacy and compliance with the “Organisation, Management and Control Model” adopted by the Company under the Decree (in relation to which the reader is referred to the “Model” itself), is also entrusted with:

- ensuring that Company Departments/Management Offices distribute the Code of Ethics within and beyond the Company, in relation to their responsibilities;



- provide a contact point for any information/requirements linked with the Code of Ethics and for identification of any instances of defaulting and/or proposals for updating/improvement/implementation of the Code;
- monitoring the application and efficacy of the Code of Ethics, also by responding to any such reports;
- updating the Code of Ethics whenever necessary, with the Board of Directors' approval (see point 3.1 above);
- notifying Carlo Gavazzi Impianti S.p.A. Management of:
  - violations of the provisions of the Code of Ethics, requesting application of sanctions;
  - proposals for updating/improvement/implementation of the Code of Ethics.

Carlo Gavazzi Impianti S.p.A.'s Supervisory Body is concerned with management and control of the Code of Ethics and the "Model" in accordance with specific Procedures.