

Code of business Conduct and Ethics

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DONATI

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INTRODUCTION

For many years the Company Donati S.p.A. (hereinafter referred to as the Company) has been committed to the creation of appropriate prevention and control protocols, to strictly observe laws and regulations in force at all levels of decision-making and operational, to the belief that ethics and transparency in relationships, both with employees and with outsiders, constitute the foundations on which the Company's success is grounded.

All employees, collaborators, consultants and counterparties must therefore undertake to strictly comply with this Code of Ethics, hereinafter referred to as the Code.

The Company pursues the mission of working in compliance with current regulations, trying to prevent all risks concerning the Health and Safety System, working in compliance with environmental standards, trying to find technological solutions that have the least environmental impact, and is always attentive to operators' training in order that the staff can work in a healthy environment, protected from dangers deriving from manufacturing operations within the Company.

1 – WHAT IS THE CODE OF ETHICS

With this document, approved by its Senior Management, the Company intends to formalize and disseminate, both internally and in relations with third parties, the principles, rights, duties and responsibilities that represent the Company Ethics.

The Code identifies and defines, not only the responsibilities of individual recipients, but seeks to identify the behavioural standards to which the Company, as a whole refers, and to which all stakeholders must attain:

- Equity and equality,
- Legality,
- Health protection,
- Confidentiality,
- Transparency,
- Environmental protection,
- Protection of the individual.

The Code is subject to updates and changes which are approved by the Company Senior Management.

2 – DISSEMINATION OF THE CODE OF ETHICS

The Code of Ethics acts as a "Company value charter" and considers recipients as:

- Managers;
- Senior executives;
- Company employees;
- Social bodies;
- Agents, sales representatives, distributors, customers, suppliers and collaborators, consultants, external freelance professionals, and each contractual counterparty of the Company;
- All those who for various reasons maintain Company relations of so-called para-subordination, are deemed physically inserted into the business organization.

The Code will therefore be considered as an integral part of the legal relationship of the contract that the aforementioned recipients will stipulate with the Company, and will therefore be reason for recession from the contractual relation, in the event that the Company becomes aware of the recipients' behavior in violation of the principles and behavioural rules referred to in the Code.

3 – THE VALUE OF THE CODE

Compliance with the principles and rules of the Code of Ethics is an essential and integral part of the contractual obligations of each recipient. No one can be sanctioned, or in any case suffer any prejudice, for informing in good faith the corporate bodies assigned to it, of any behaviour differing from the Code of Ethics adopted by any of its recipients.

Consistently with this view, the Company is committed to guarantee the maximum dissemination of this Code via:

- Notice boards,
- Documents,
- Internet,
- Intranet,
- E-mail,
- Specific office within the Company which is responsible for informing third parties,
- Etc.

4 – KNOWLEDGE OF THE CODE

In consideration of the foregoing, the Company:

- Guarantees the timely dissemination and / or knowledge of the Code internally and, in any case, for all recipients;
- Provides adequate informational training support;
- Strives to ensure that all recipients are required to respect it;
- Strives to ensure that all recipients have the chance to report any shortcomings, thus to actively contribute to its implementation;
- Ensures that all updates and changes are promptly brought to the attention of the recipients.

5 – PRINCIPLES AND RULES OF CONDUCT

Employees and other recipients must comply with current regulations. The Company actively and concretely cooperates with the authorities and the same is required for each recipient in relation to level and function. Each employee must provide professional contributions appropriate to the individual's responsibility within the Company, and must behave accordingly. Relations with employees, at all levels, are based on criteria and behaviour of correctness, loyalty, equality and mutual respect.

It is the responsibility of each employee to keep and preserve the corporate assets and resources entrusted for the performance of activities: no employee can make improper use of the Company's resources, or allow others to do so. The systems used to access e-mail, the Internet and the company network belong to the Company; the use of these instruments must therefore be carried out in strict compliance with the rules, legal regulations as well as the relative company directives (Regulation EU 2016/679 on Data Protection).

Improper or incorrect use of such is not tolerated for example:

- The forwarding or posting of messages whose content is abusive, defamatory, offensive, vulgar or threatening;
- The access, creation, posting, display, transmission or any use of pornographic material;
- The transmission of confidential company information without proper authorization.

Everyones task is to give importance and above all concreteness to the values contained in the Code of Ethics, and to create a solid corporate group grounded on trust and mutual loyalty.

It is company belief that the dedication and professionalism of its employees are fundamental cornerstones for the achievement of the objectives set by the Company.

The Company is inspired in the exercise of its economic activity to a set of fundamental ethical and moral principles: which must characterize the conduct of all those to whom this document refers, and are defined as recipients:

- Legality,
- Prevention of conflict of interests,
- Confidentiality,
- The value of the individual and of human resources,
- Relationships with loyal and honest customers,
- Accounting transparency,
- Attention to health and safety at work,
- Environmental protection from all forms of pollution.

6 — LEGALITY AND HONESTY

The constant observance of laws and regulations is a prerequisite for the Company's activities in every country in which it operates. In no case may the pursuit of the Company's interests justify behaviour adopted in violation of the law and dishonesty. All recipients of this Code are required to constantly and completely respect the law, contracts, regulations, and company directives. Legality and honesty are a fundamental cornerstone for the Company, to be pursued in every type of relationship that the Company maintains both with its own employees and with external bodies. The integrity of these principles must guide the recipients of the Code in every choice made by the Company itself.

7 — THE CONFLICT OF INTEREST

All those who are the recipients of the Code of Ethics must avoid choices and decisions that may interfere with the Company's sole interests, in particular employees are required to avoid conflict between economic, family and personal activities and the duties they hold in the Company, For example:

- Acceptance of favours or money from individuals or companies that are or intend to enter into a business relationship with the Company;
- Use of your position in the Company or of the information acquired in your work so that we can create a conflict between your personal interests and those of the Company.

8 — CONFIDENTIALITY

All recipients of the Code are required to strictly observe the laws in force on privacy and insider trading. The Company adopts the minimum and appropriate security measures to minimize, according to technical progress, the risks of dispersion, unauthorized access or unauthorized processing of the data of which is the Title Holder. The recipients of the Code must not divulge information that is not in the public domain. The recipients of the Code must not use or disclose information acquired during the performance of their company duties. The knowledge developed by the Company is a fundamental asset that every recipient must protect, so this information should not be disclosed. Those cases in which such disclosures are required by law or are explicitly required by contractual clauses are obviously excluded.

9 – RESPECT OF THE INDIVIDUAL

Company policies and procedures comply with the applicable standards dictated by the International Labor Organization (I.L.O.) and the National Collective Labor Contract (C.C.N.L).

Working conditions

The Company condemns the abuse and threat of physical abuse, physical disciplinary measures, sexual or other harassment, verbal abuse and any other form of intimidation. Such practices are prohibited. The Company condemns forced labour and any form of non-voluntary work and all workers are free to terminate the employment relationship upon due notice.

Child labour

The employment of a 16-year-old worker by law is not permitted. Young people under the age of 18 are not employed for night work or in dangerous conditions, according to the standards of current regulations. (Ref. D.Lgs. 81/08 and Law 977 of 17 October 1967 as amended and supplemented by D.Lgs. 345 of 4 August 1999 and by D.Lgs. 262 of 18 August 2000).

Discrimination and Equal Opportunities

The Company does not discriminate at the time of recruitment, on race, caste, nationality of origin, religion, age, disability, sex, marital status, sexual orientation, membership of unions or political parties. The Company strongly condemns, in all activities and in all relationships, any sort of discrimination based on any criterion, concerning race, religion or political belief, or sex, or age. To this end, it undertakes to offer equal opportunities in work and career advancement to all employees, avoiding any form of discrimination. The recognition of results and career advancements must be achieved by professional skills and by those inputs dictated by the abilities of each individual, and not by personal interests. The Company guarantees fair access to training for all parties.

Freedom of Association and the Right to Collective Negotiations

The Company does not prevent workers from joining unions and collective negotiations and adopts an open attitude towards the activities of the trade unions and their organizational activities.

Employee representatives do not suffer any discrimination within the Company and have the right to perform their representative functions in the workplace.

Where the freedom of cooperation and the right to collective negotiations are limited by law, the employer facilitates and does not hinder the development of parallel means for cooperation and freedom to independent negotiations.

Work Regulations

Employee labour law obligations are not by-passed through the use of work contracts, subcontracts, working from home, the abuse of temporary work, apprenticeship programs or fixed long-term work contracts.

Salaries

The salaries correspond, at a minimum, to the standards of C.C.N.L. Before recruitment, clear written information regarding working conditions salary and details relating to them are provided to all workers.

No deductions from wages are allowed as a disciplinary measure without the expressed consent of the concerned worker and all disciplinary measures are formalized.

Diligence and professionalism

Contracts and work assignments must be carried out with the utmost diligence and professionalism, as knowingly agreed, respecting the laws and directives imposed, respecting the role of each individual in the corporate hierarchies, in order to maintain a healthy and decent environment. From this point of view, workers are called to:

- Carry out their work, abiding to the prohibition of consumption of alcohol or drugs;
- Avoid behaviour that can create an intimidating or offensive climate towards colleagues and subordinates;
- Perform their functions by following internal company procedures, avoiding the creation of risks for themselves, for colleagues and for the external environment.

10 – RELATIONS WITH THIRD PARTIES

Relations with customers

The goal of the Company is to meet customer requests based on quality requirements and in compliance with the rules set to protect market competition, also in line with the 9001:2015 standard compliance. The Company therefore requires the recipients of the Code that every relationship is based on correctness, impartiality, professionalism and transparency.

Regarding relationships with the client the Company must avoid arbitrary discrimination in negotiations and provide accurate, complete and truthful information to enable the customer to make knowledgeable decisions.

Furthermore, the Company always aims to provide products increasingly safer in their production by paying attention to the choice of raw materials and by using materials which have less impact on the environment.

Relationship with suppliers

The selection of suppliers of any kind is based on criteria determined by objective assessments of not only quality and delivery capacity, but also on standards of regulatory verification in relation to the environment and to the health and safety system set by suppliers.

The Company being aware of the fact that suppliers are important within the company structure, aims to maintain transparent and stable relations of cooperation with its suppliers. Moreover the Company always aims to help suppliers' growth and knowledge of the management of the health and safety system and of the environmental impact that may occur throughout the steps of the production cycle.

11 – ACCOUNTING TRANSPARENCY

The Company strives for a continuous updating of the administrative accounting system in order to always obtain a reliable and correct representation of the administrative trend, such as to provide the tools to identify, prevent and manage, as far as possible, financial and operational risks.

All recipients of the Code are required to operate so that administrative management practices are correctly and promptly represented, so that the accounting administrative system can achieve the purposes above described.

12 – HEALTH AND SAFETY AT WORK AND PROTECTION OF THE ENVIRONMENT

Donati Company has long been working to create a system that respects and protects environment and natural resources, and that aims to safeguard health and safety in the workplace.

Particularly, with regard to health and safety in the workplace, Donati S.p.A. pursues the following objectives:

- As regards the design of jobs, the choice of equipment and work and production methods, monotonous work and repetitive work and to reduce the effects of these on health and safety, the company carries out continuous studies on the adequacy of workstations;
- Provide the human resources and tools necessary to replace what is dangerous with what is not dangerous or which is less dangerous, taking into account the degree of technical development, pursuing the aim of reducing risk and increasing control of production processes;
- Implement and keep alive the prevention schedule, aimed at a coherent set of protocols integrating technique and work organization, working conditions, social and cultural relations and the influence of the factors on the working environment;
- Constantly train and inform workers in order to allow them to safely carry out their duties, organizing periodical training, information and training sessions in order to prepare operators for new business risks, or simply to promote the culture of health and safety within the Company.

Specifically regarding environmental protection, Donati S.p.A. pursues the following objectives:

- Protect the environment as a strategic objective and an important Company activity and also as a guarantee to customers;
- The Company assesses the impact of activities, products and services by performing a comprehensive analysis of all the flows of raw materials that may be relevant to the environment as a basis for the continuous improvement, according to a preventive approach, and by promoting the use of the best technologies available along with an increasingly relevant use of recycled raw materials;
- The Company promotes information, awareness and training initiatives, in order to involve the organization in the implementation of environmental ethics;
- The Company promotes the efficient use of natural resources, with specific attention to the rational management of water and energy resources;
- The Company is committed to continuously reducing environmental impact through the use of the best economically feasible technical standards: in this sense it controls and, where possible, reduces emissions into the air; pursues the reduction of waste production and efficient management by favoring the recovery and reuse in place of disposal solutions;
- The Company promotes the protection of the environment in the management of the production chain, inviting suppliers and all stakeholders to intervene personally as promoters of a company policy based on eco-sustainability;
- With regard to the attention given by the Company to the protection of the environment, the Company regularly promotes important and relevant information and training, upon which everyone is required to actively participate, and consequently to apply the principles, the instructions and knowledge obtained.

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