



ELFI S.R.L. VIA PRATO, 42 • 51031 AGLIANA (PT) • ITALY • TEL. +39 0574 679328 • WWW.ELFISRL.COM

CODE OF ETHICS

This document represents a "moral contract" signed by all Company Representatives, external collaborators and suppliers, it will not directly strengthen the competitive position, but will do so indirectly if it allows everyone to adopt an ethical vision and a shared culture.

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1. Introduction

"Ethics" expresses the set of rules of conduct, both public and private, followed by a person or a group of persons. Therefore, the scope of ethics, while referring to an abstract universe (made up of principles and values), is anything but theoretical: it concerns the everyday and translates into rules of behaviour and points to the need to reflect on the rules and principles to be followed in life.

When reflection on ethics moves from individual action to a wider organizational and business environment, the concept of individual responsibility and awareness is inevitably linked to that of "Corporate Social Responsibility".

For Elfi Srl such responsibility is seen as the ability to integrate its business activities, respecting and protecting the interests of all partners and all the individuals with whom it relates, with the protection of environmental resources and their conservation for future generations.

Elfi Srl pursues its business in consideration of the respect due to all living beings and the value of inanimate things, as the end of its actions and not as a means to achieve profit.

Elfi Srl believes that ethics in behaviour constitutes a value and condition of success for the Company and that principles such as honesty, moral integrity, transparency, reliability and a sense of responsibility represent the fundamental basis of all the activities that characterize its commitment.

The primary objective of the Code of Ethics is to ensure that the values in which the Company recognizes itself, at all levels, are generally accepted and that anyone, whenever called to make a decision, remembers clearly that not only his or her own interests, rights and duties are at stake, but also those of others.

Its intention is to direct individual behaviour so that it confirms the image of fairness and respect for the rules, the prestige and the good reputation that have always been a fundamental asset of Elfi Srl.

The adoption of this "Code of Ethics" complies with the provisions of Legislative Decree no. 231/2001, concerning the "Discipline of the administrative responsibility of legal entities, companies and associations including those without legal personality, pursuant to article 11 of the law 29 September 2000, n.300".



2. Recipients

The Code of Ethics regards Managers, all employees of Elfi Srl, and all those who work, permanently or temporarily, for the same.

The Code defines the rules of conduct that must be complied with during the performance of professional activities and represents the guidelines to be followed in relations with colleagues and in relations with customers, suppliers and partners, with other companies, with Public Bodies and Institutions, with political and trade union organizations and with the media.

Elfi Srl undertakes to disseminate the Code to all the recipients, who must observe its contents, and to prepare all those instruments that favor its full application.

3. Ethical principles

To achieve its goals, Elfi Srl conforms to the following ethical principles:

- Protection of the person, health and safety at work.
- Compliance of the behaviors with the provisions of the law and regulations in all the countries in which the Company operates.
- Moral legitimacy: honesty, loyalty, fairness, good faith of employees and collaborators.
- Commitment to improve and increase the assets and competitiveness of the skills possessed by each employee or collaborator.
- Confidentiality of the information acquired as part of the activities carried out, avoiding disclosure to non-interested parties, both inside and outside the Company.
- Collaboration and professionalism in order to contribute to the best development of the company.
- Respect for interlocutors and their interests based on absolute loyalty and fairness, courtesy and mutual respect.
- Competition as a good to be protected in compliance with the provisions of the law on market protection.
- Elimination of all forms of illegal and /or forced labor. Elfi Srl undertakes not to use the labour of undocumented immigrants or those under the minimum age established by national and international laws.
- Respect for the protection and development of the Environment and Nature, as primary resources to be safeguarded and promoted. Commitment to implement measures to raise awareness of and respect for the environment by applying efficient engineering technologies, limiting the waste of materials, and ensuring the safe disposal of waste.
- Pursuit of profit, in compliance with the principles outlined, for the maintenance of the common good.
- Transparency and traceability of company processes, in order to guarantee completeness and clarity.
- Choice of suppliers of goods and services of proven quality, integrity, reliability and business utility.



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- Relations with political and trade union organizations, managed by those holding positions in the company for that purpose, in conformity with the principles of integrity, diligence, transparency and honesty. In case there are doubts about the conduct to be adopted, each subject is required to contact his or her department manager, if an employee, or his or her own company representative, if otherwise.

4. Management of resources

Human Resources

Elfi Srl adopts a management policy towards its staff based on criteria and conduct of transparency, correctness, fairness and mutual respect. It is strongly committed to increasing their capacities and expertise, aware that professionalism and commitment of people are essential conditions for the achievement of Company objectives.

Elfi Srl undertakes to guarantee the safety and health of workplaces, the respect of the right of association and collective bargaining, the payment of salaries commensurate with work function/qualification, as well as allowances, and compliance with working hours in accordance with the law, both contractual and internal. All personnel (managers, employees and collaborators) are required to refuse preferential treatment or other benefits or gifts of a size that exceeds the simple gesture of attention or courtesy. In all situations where the limit is exceeded, or doubt exists, the person concerned will inform his or her superior in order that the best decision is made. The protection of the privacy of the staff is ensured in accordance with current legislation (Legislative Decree 196/2003 'Privacy Code'), on the basis of which are requested, processed and stored only information relating to the proper conduct of the employment relationship. Any communication / disclosure of personal data without the prior consent of the interested party is prohibited. Requests for information concerning the private sphere of the individual are not allowed, except for cases of proven need identified by the law.

Material resources

Elfi Srl emphasizes the importance of protecting the Company's assets and all other property from improper, unauthorized, negligent or malicious use that may result in damage or loss. All personnel must respect Company-owned assets; their use must be functional and exclusive to the carrying out of the activities, avoiding their improper, fraudulent use or in any case conflicting with the Company's interest.

5. Protection of workplaces

Elfi Srl undertakes to guarantee, in compliance with the legislation in force to protect working conditions, an adequate working environment from the point of view of the safety and health of employees, taking all the necessary measures.

The Company is committed to disseminating a culture of safety by developing awareness of risks and promoting responsible behavior by all staff. Employees, as part of their duties, participate in the process of risk prevention, protection of the environment and safeguarding of their own health and safety and that of colleagues and third parties. The recipients undertake to comply with the prevention and safety measures implemented.

The Company undertakes to acknowledge and evaluate any possible suggestions received from its employees or collaborators to improve its policy on the matter.

6. Ethical rules regarding third parties

Relations with the Customer

Attention to the customer is pursued with competence, professionalism, courtesy, transparency, fairness and impartiality, in the knowledge that it is important to guarantee the satisfaction of expectations and consolidate trust.

Contracts with Customers must comply with current regulations, which are clear and simple and formulated in a language as close as possible to that normally used by the interlocutors. Elfi Srl undertakes to examine promptly customer suggestions and complaints.

Relations with Suppliers

The commercial relations with the Suppliers are maintained in compliance with the criteria of impartiality,

economy, transparency, loyalty and correctness, avoiding relationships that can generate personal advantages and / or conflicts of interest.

The selection of Suppliers and the determination of the conditions of purchase must be based on an objective evaluation of the quality, conformity, utility, price of the goods and services requested, the ability of the counterparty to supply promptly and guarantee goods and services of a level suited to the needs of Elfi Srl.

Relations with Institutions and Public Administration

Relations with Institutions and Public Administration are inspired by the principles of correctness, impartiality and independence and are reserved for Company Departments appointed and authorized for such a purpose.

The offer of gifts or other benefits towards Institutions and Public Administration must comply with current regulations and be of symbolic or modest value.

Elfi Srl does not make direct or indirect contributions to political parties, committees and organizations, of a political or trade union nature, or to their representatives.

7. Research, innovation, confidentiality and protection of intellectual assets

Elfi Srl promotes research and innovation activities by management and employees, within the scope of the functions and responsibilities covered. The intellectual assets generated by this innovative activity constitute a central and indispensable asset of the Company.

Elfi Srl's staff and all its collaborators are required to contribute actively, within the scope of their functions and responsibilities, to the governance of intellectual assets to allow their development, protection and enhancement.

Elfi Srl's activities constantly require the acquisition, storage, processing, communication and dissemination of news, documents, know-how (deeds, reports, notes, studies, drawings, photographs, software, etc.) which, due to contractual agreements, cannot be disclosed outside the company or whose inopportune or untimely disclosure could cause damage to the interests of the company.

Without prejudice to the transparency of the activities carried out and the information obligations imposed by compliance with the regulations in force, it is the obligation of Elfi Srl's staff and all its collaborators to ensure the confidentiality required by the circumstances for each piece of news received according to their work function.

8. Compliance with the Code of Ethics

Compliance with the Code of Ethics is an essential part of employees' contractual obligations. Collaboration contracts include the obligation to comply with this Code of Ethics. The violation of the Code of Ethics by employees and collaborators constitutes non-fulfillment of contractual obligations and may result in disciplinary measures, commensurate with the level of responsibility of the employee and the seriousness of the behavior, as well as with the level of risk to which the Company may have been exposed.

The Board of Directors is responsible, also through appropriate delegation, for:

- Monitoring compliance with the Code of Ethics;
- Managing all aspects relating to the knowledge, application, dissemination of the Code of Ethics;
- Receive reports of violations of the Code of Ethics, ensuring the confidentiality of the sources of such reports;
- Apply sanctions and disciplinary measures, in accordance with the provisions of the law and with the contractual regimes provided for.

9. Approval of the Code of Ethics and related amendments

This Code of Ethics has been approved by the Board of Directors of Elfi Srl on 05.03.2014.

Any changes and/or updates of the same will be approved by the same body and promptly communicated to the Recipients.

“One can define as ethical the behavior of one who acts, guided not by fear of punishment or opportunistic reward, but by his or her own reason in such a way as to treat mankind, both in his own person and in that of all others, always together as a end, never simply as a means to reach an end”

Immanuel Kant