



Cartiera del Chiese

# CODE OF ETHICS

The Board of Directors approved this text on 12/03/2018

## CONTENTS

1. Preamble.....	4
2. Scope.....	4
3. Mission, Ethical Vision and Mutual Aims.....	4
4. The Nature, Structure and Sphere of Application of the Code of Ethics.....	5
4.1 Nature.....	5
4.2 Structure.....	5
4.3 Sphere of Application.....	5
5. General Ethical Principles.....	6
5.1 Lawful behaviour and actions.....	6
5.2 Fairness and Integrity.....	6
5.3 Honesty.....	6
5.4 Transparency and completeness of information.....	6
5.5 Data confidentiality.....	7
5.6 Personal value.....	7
5.6.1 Respect for personal dignity.....	7
5.6.2 Formalising employment.....	7
5.6.3 Managing and assessing staff.....	7
5.6.4 Health and safety, and working conditions.....	7
5.6.5 Professional development.....	8
5.6.6 Discrimination and harassment.....	8
5.7 Preventing conflicts of interest.....	8
5.8 Efficiency and the spirit of service.....	8
5.9 Protecting the Company's name and image.....	8
6. Ethical Principles in the sphere of corporate governance.....	8
6.1 Board of Directors.....	8
6.2 Shareholder Relations.....	8
6.3 Accounting transparency.....	8
6.4 Internal control.....	9
7. Ethical principles in staff relations.....	9
8. Ethical principles in relations with third parties and the Public Administration.....	9
8.1 Clients and Suppliers.....	9
8.2 Clients.....	9
8.3 Suppliers.....	9
8.4 Integrity and objectivity in supplier relations.....	10
8.5 Managing relations with public servants.....	10
8.6 Safeguarding ethical-environmental principles in supply relations.....	11
8.7 Community.....	11
8.8 Relations with political organisations and trade unions.....	11

9. Implementing the Code of Ethics..... 12

9.1 Internal control system..... 12

9.2 Supervisory Board..... 12

9.3 Education and training.....12

9.4 Raising alerts.....13

9.5 Breaches of the Code.....13

## **1. Preamble**

Cartiera del Chiese S.p.A. (henceforth, the Company) performs and manages its business in line with the principles and rules of conduct set forth in the present Code of Ethics, and in strict compliance with all applicable national and European legislation.

The Company places the utmost importance in meeting its ethical-social responsibilities when conducting its affairs and business. To this end, it enables and supports a management system designed to balance the legitimate interests of its stakeholders and, more generally, of the community in which it operates.

The Company's stakeholders include: employees and workers; shareholders; directors; clients and end consumers; suppliers; the Public Administration; the community and all subjects involved, whether directly or indirectly, in activities the Company sets in motion.

The Code of Ethics (henceforth, the Code) operates within the framework of the provisions of Italian Legislative Decree no. 231/2001, and within the "Guidelines for the Construction of Organisational, Management and Control Models pursuant to Legislative Decree no. 231/2001" issued by Confindustria. It sets forth the principles of general ethics, management, checks and control to which organisational models should adhere.

As such, please refer to the Company's Organisational Model of which this Code forms an integral part.

Adopting, approving and updating the Code falls to the management body; updates may also be the result of any operations the Supervisory Board may carry out pursuant to Italian Legislative Decree no. 231/01.

## **2. Scope**

The present Code has been drawn up to ensure that the Company's ethical values are clearly defined and that they provide a foundation for Company culture, as well as establishing a standard of conduct for the Company workers to follow as they perform their duties and support initiatives.

## **3. Mission and Ethical Vision**

When carrying out its business activities, the Company shall adhere to the following values, which form the basis of the policies it has in place:

- Ensuring the Company's commercial reputation on the market.
- Showing appreciation for those who channel their own efforts and experience into securing the Company's success, day after day.
- Guaranteeing stable and satisfying employment to staff.
- Ensuring increased circulation for our products and gaining recognition in all markets.
- Encouraging economic and social development in the communities around our production areas.
- Supporting an economically sustainable production model with environmental awareness.

## **4. The Nature, Structure and Sphere of Application of the Code of Ethics**

### **4.1 Nature**

Anyone who wishes to work with the Company must accept the present Code.

### **4.2 Structure**

The Code is made up of the following sections:

- 1) General ethical principles;
- 2) Ethical Principles in the sphere of corporate governance;
- 3) Ethical principles in employee relations;
- 4) Ethical principles in relations with third parties and the Public Administration;
- 5) Putting the Code of Ethics into practice;
- 6) Disciplinary procedure.

### **4.3 Sphere of Application**

The Code is a collection of the rights, duties and responsibilities the Company has towards its stakeholders (contributing shareholders, employees, workers, directors, suppliers, end consumer clients, buyers, partners, the Public Administration, etc.), as well as towards all those who engage in any kind of relations with the Company, whether directly or indirectly, on a regular or temporary basis.

The following “Code Recipients” are required to abide by the Code:

- Representatives of the Company’s internal bodies and all members of the management body, all of whose decisions and actions must be taken in line with the Code. They must also endeavour to spread awareness of the Code and encourage employees, workers and third parties operating on behalf of the Company to share it. Directors and members of the management team, must also conduct themselves so as to set an example for all staff to follow;
- Employees and independent contractors (agents, consultants, etc.) must abide by the Code and alert the Board of Directors and/or Supervisory Board of any breaches thereof;
- Goods and services suppliers, who must be duly informed of the rules of conduct contained within the Code and so align their conduct with it for the full duration of their contractual relations with the Company.

## **5. ETHICAL PRINCIPLES**

### **5.1 Lawful behaviour and actions**

Code Recipients are required to abide strictly by the law and, in general, by all applicable national and European regulations. Further, they must abide by all Company regulations, procedures and instructions, the adoption of which constitutes a regulatory requirement.

### **5.2 Fairness and Integrity**

Code Recipients are expected to adhere to all rules concerning ethics, their area of expertise and their profession, as applicable to the activities they carry out on behalf of the Company. Further, they must abide by all Company regulations, procedures and instructions, the adoption of which constitutes a professional-ethical requirement.

In carrying out their own roles, all Code Recipients undertake to respect the rights of all subjects involved in any way in their work or professional activities; such respect is also considered a requirement under the premise of equal opportunities, privacy and propriety.

When carrying out any and all activities, care must always be taken to avoid any situation that creates arbitrary discrimination towards staff, or any substantial conflicts of interest between a worker, manager or employee and the Company.

### **5.3 Honesty**

In carrying out their duties, all Code Recipients are expected to diligently abide by all the regulations in force, the Code and internal regulations. Pursuit of the Company's interests shall not under any circumstance justify dishonest conduct.

It is strictly forbidden for anyone to give or promise money, gifts or similar, or to promise or guarantee any form of advantage during the normal course of their role. Such conduct is described in detail in the Disciplinary Code and is prohibited whether carried out exclusively in a staff member's personal interests or in the interest of or to gain an advantage for the Company.

Relations with stakeholders are governed by criteria and rules of conduct concerning fairness, collaboration, loyalty and mutual respect. As such, any form of benefit or gift, received or offered, may be interpreted as a tool used to influence the objective judgment or independent conduct of the parties involved.

### **5.4 Transparency and completeness of information**

Transparency is expected of Code Recipients. This is understood as ensuring information is clear, complete and relevant so as to avoid any fraudulent situations arising during operations performed on behalf of the Company. Code Recipients are also expected to abide by all Company regulations, procedures and instructions concerning the principle of transparency.

All Code Recipients undertake to provide clear, regular, complete and accurate information; as such, they shall communicate in a manner that is easy for the subject with whom they are communicating to understand at first sight, allowing that subject to make independent and informed decisions.

Further, all Code Recipients undertake to verify the clarity, truthfulness and completeness of information before sharing it externally or internally. This includes economic, financial and accounting data.

The Company places fundamental value in the accuracy of data given to the competent bodies and departments regarding significant information about the Company's management or accounts and does not in any way justify any action of workers aiming to prevent entities or organisations from effecting the control activities with which they are entrusted.

### **5.5 Data confidentiality**

The Company assures and guarantees that any data in its possession shall remain confidential, that it shall abide by all regulations on the subject of personal data and that it shall not seek confidential data through unlawful means.

All data available to the Company are processed in a way that respects the confidentiality and privacy of the respective data subjects.

Code Recipients shall treat any data that comes to their knowledge in the course of any duties carried out on behalf of the Company with maximum confidentiality. Code Recipients are also expected to process company data or information, or any data or information relating to its stakeholders, exclusively within the remit and for the purposes of their own work duties; in any case, they shall not divulge (share, circulate or publish in any form) any sensitive data without the express consent of the data subject, or any confidential information without the Company's permission.

### **5.6 Personal value**

The Company encourages employing human resources to garner respect and appreciation for individual characteristics, in order to protect diversity and make dialogue the principle foundation for internal relations.

**5.6.1 Respecting personal dignity:** Code Recipients must respect the fundamental rights of others, protecting moral integrity and guaranteeing equal opportunities.

Within internal relations, there shall be no behaviour of a discriminatory or abusive nature based on political or trade-union opinions, religion, racial or ethnic origins, nationality, age, gender, sexual orientation, state of health or any other personal or private detail.

**5.6.2 Formalising employment:** Employment shall be formalised with valid contracts. No form of unlawful employment is permitted. Code Recipients shall do their utmost to encourage a collaborative spirit and transparency towards new hires so that the latter might clearly understand the task assigned to them.

**5.6.3 Managing and assessing staff:** The Company shall reject any form of discrimination towards its employees or workers, encouraging decision-making based on objective and universally shared criteria.

**5.6.4 Health and safety, and working conditions:** The Company shall facilitate the establishment of working conditions that protect the psychological and physical wellbeing of people, providing work spaces that meet the applicable health and safety regulations. Employees and workers shall, in any case, abide by the applicable health and environmental protection legislation and standards and abide by Company policies, where the latter are stricter than the legal standards. In this regard, Code Recipients shall refer to the Disciplinary Code and the Environment and Safety Regulation.

**5.6.5 Professional development:** The Company shall promote the professional development of its employees through suitable tools, participation in work events and work occasions, as well as through suitable training programmes.

**5.6.6 Discrimination and harassment:** The Company wants its employees and workers' workplaces to be discrimination-, abuse- and harassment-free. As such, equal opportunities shall be offered to them and to anyone seeking employment at the Company, in line with the applicable legislative provisions. Conduct that might create a hostile or unsuitable environment in the workplace, or psychophysical prejudice towards the victims of such behaviour will not be tolerated.

### **5.7 Preventing conflicts of interest**

In order to avoid even potential conflicts of interest, the Company, upon assigning duties, shall require its employees and workers of any description to sign a declaration ruling out situations or conditions that might lead to a conflict of interest between the individual and the Company.

Anyone who receives news of situations or conditions that might lead to a conflict of interest must immediately inform the Supervisory Board.

### ***5.8 Efficiency and the spirit of service***

All Code Recipients shall pursue the best professional quality in line with the most up-to-date standards and best practices for each sector or job description. Further, all Code Recipients shall commit to correctly fulfilling the duties and obligations inherent to each role, seeking the most cost-effective solution to their performance and the duties they carry out.

Contracts and duties shall be carried out in line with what has been established, of which all parties shall be fully aware.

All Code Recipients shall consider the Company mission their own when carrying out their duties. That mission is to provide clients with products that meet standards of high quality, good value and environmental sustainability.

As such, the mission shall always inform the conduct of the Company and all its directors and employees.

### ***5.9 Protecting the Company's name and image***

Directors, employees and workers shall not take any actions that might jeopardise or compromise the values, image and good name of Cartiera del Chiese and its objectives.

## **6. Ethical Principles in the sphere of corporate governance**

### ***6.1 Board of Directors***

The Board of Directors shall act and adopt resolutions in full knowledge of the facts and causes, with the aim of pursuing the Company's interests in the best possible way.

Objective judgement is required of the Board of Directors' decision-making and, as such, its members must guarantee maximum transparency when handling operations of particular interest to them. In such cases, they must abide by legal provisions, regulations and Company procedures. Specifically, Directors on the Board must each perform their respective roles with sincerity, professionalism and assertiveness, so as to allow the Company to gain maximum benefit from their skills.

### ***6.2. Accounting transparency***

The Company promotes the maximum transparency, trustworthiness and completeness of its accounts.

Every operation and transaction must be recorded correctly, authorised, verifiable, legitimate, consistent and appropriate.

All the Company's actions and operations must be suitably recorded and it must be possible to verify the relevant decision-making, authorisation and implementation processes.

Suitable documentation is a requirement for every operation, to allow the performance, at any time, of checks to verify the operation's characteristics and motivations and identify those who authorised, performed, recorded and verified it.

Any Code Recipient who learns of omissions, falsifications or negligence shall convey the facts thereof to the Supervisory Board.

### **6.3. Internal control**

The Company is equipped with a system of internal controls<sup>1</sup> that help improve the efficiency and effectiveness of Company processes, as well as helping contain risks that might affect Company operations; Code Recipients must be aware of these controls.

Within the remit of their role, Code Recipients are responsible for defining controls for their area of operations and the activities entrusted to them, and for putting those controls into practice and ensuring they function properly.

### **7. Ethical principles in staff relations**

Please refer specifically to subsection 5.6 (Personal value) of the present Code.

### **8. Ethical principles in relations with third parties and the Public Administration**

#### **8.1 Clients and Suppliers**

The Company's conduct towards clients and suppliers is intended to be open, willing, respectful and courteous, with the aim of establishing a collaborative and highly professional relationship.

#### **8.2. Clients**

The Company pursues its mission by offering quality products under competitive conditions, in compliance with the regulations in place to ensure fair competition.

It is mandatory for employees, workers and directors to:

- supply high quality goods and services efficiently, politely and in a timely manner, within contractual provisions, so as to satisfy clients' reasonable expectations and needs;
- supply accurate and exhaustive information, where necessary and by the methods and forms for which Company policies provide, about Company products, enabling clients to make informed decisions;
- meet client expectations concerning honesty, transparency and full compliance with legislation and contractual agreements;
- be truthful in advertising and in any other kind of communications.

#### **8.3 Suppliers**

The Company considers an appropriate and transparent relationship with its suppliers important to its success.

Objective parameters shall be followed when selecting suppliers and agreeing terms of purchase. Those parameters include: quality, convenience, price, capacity, efficiency, ethics, lawfulness and technical-professional suitability.

These are the requirements the Company seeks in its suppliers:

- Their representative must display professionalism;
- The required means (suitably documented), in terms of financial situation, organisational structure, project capacity and resources, know-how, etc.;
- The existence and effective implementation of systems for managing quality, safety and the environment;
- Conduct that protects safety and the environment;

---

<sup>1</sup> The internal control system is understood as being the collection of rules, procedures and organisational structures aimed at: ensuring adherence to Company strategies, securing efficiency and effectiveness in Company processes, safeguarding the business' value and protecting against losses, ensuring management and accounting data are reliable and complete, ensuring operations are legally compliant and making internal bodies available.

- Conduct that will not negatively impact the Company's image and good name;
- Willingness and capacity to adapt to the provisions of the Company's Organisational Model;

In its supply relations, the Company shall:

- follow the assessment criteria provided under existing procedures, objectively and transparently;
- not preclude anyone from entering into contracts if they possess the relevant requirements, by adopting objective and documentable criteria during candidate selection;
- comply with the previously defined contractual terms;
- maintain a sincere and open dialogue with suppliers which, in any case, is in line with the concepts of good commercial practice;
- comply and request compliance, in supply relations, with all obligations set forth under regulations concerning: occupational health and safety, the environment, the certified origin of raw materials, tax and social security contributions, and lawful contracts and remuneration.

#### ***8.4. Integrity and objectivity in client and supplier relations***

The exchange of payments, benefits (whether direct or indirect), gifts, favours and/or acts of hospitality, are forbidden in business relations with clients and suppliers, except where they are of a nature or value that does not compromise the Company's image and cannot be interpreted as having the intention of securing favourable treatment outside of market regulations.

In any case, the relevant line manager must be alerted of any proposed gifts, favours and/or acts of courtesy so that they may make a decision to this effect.

Any sponsorship, donations or charitable handouts must be approved by the Board of Directors.

Anyone at the Company who receives gifts or favourable treatment from clients or suppliers that fall outside the accepted business courtesy relations must alert the Supervisory Board and their manager of the fact. The latter shall immediately notify the specific bodies and/or relevant Company department which, after appropriate checks have been carried out, will take the most suitable course of action.

Entering a contract with a supplier and managing the subsequent relation with them shall follow the principle of clarity and any excessive mutual dependence shall be avoided.

In order to guarantee maximum transparency and efficiency in the purchasing process, the Company shall:

- ensure choices taken are sufficiently traceable;
- retain information and official and contractual documents for the duration of the periods required by the applicable regulations.

#### ***8.5 Managing relations with public servants***

In its relations with public servants and administrators, the Company shall abide by the same criteria, principles and restrictions set forth in the previous subsection. However, in line with the specific nature of any public servant with whom the Company may come into contact, further conduct shall be adopted as follows:

- Any behaviour that could possibly be interpreted as being collusive in nature or could in any way lead to a breach of the principles of the Code is forbidden;
- Any promise, request, offer made to/by a Public Official, Public Service Worker or Public Administration employee, intended to influence the outcome of petitions, assessments, investigations, competitive tender or any other activity involving the Company is forbidden;

- Issuing gifts that are not of modest value and in any case surpass the value set forth in the internal regulations of a given administration is forbidden. Even gifts of modest value must be authorised by the directors in advance, may be issued only on special occasions and may not be offered to officials who are carrying out assessments or are in the process of assessing petitions submitted by the Company;
- The Company guarantees that it will communicate with the Public Administration appropriately and through the proper channels, that such communication will be handled exclusively by the Company Bodies authorised for that purpose, and that all information provided will be complete and truthful.

#### ***8.6 Safeguarding ethical-environmental principles in supply relations***

With the aim of acquiring eco-sustainable raw materials supplies, the Company shall work with internationally certified suppliers who are able to guarantee responsible forest management standards.

Furthermore, the Company may make ask social and/or environmental requirements of particular suppliers, for example: the presence of a Code of Ethics or SA8000 Social Certification Standard; the presence of an Environmental Management System (EMAS or ISO 14001). Each individual contract may provide suitable clauses to this effect.

#### ***8.7 Community***

Cartiera del Chiese is aware of the effects its business has on its surroundings, and on the economic and social development and general wellbeing of the community. As such, in the normal course of its operations it devotes attention to the interests of all involved.

The Company therefore believes that dialogue with stakeholders is of strategic importance to it correctly carrying out its activities and, where possible, implements a stable channel of communication with the associations representing its stakeholders, in order to act and cooperate in line with mutual interests.

#### ***8.8 Relations with political organisations and trade unions***

When making contributions to parties, movements, committees, and political and trade union organisations and their representatives and candidates, the Company follows procedures and uses documentation that are traceable and compliant with the regulations in force.

Any such contributions shall not in any case be considered tied to any Company interest, whether direct or indirect, in obtaining advantages or favourable treatment, or at disrupting free competition. In no circumstance may such contributions be extended with the intention of securing reciprocity, thus prohibiting any form of political exchange.

#### ***8.9. Relations with the mass media and information sharing***

Relations with the press, media or, more generally, with external subjects shall be held only by subjects to whom that function has been expressly delegated, pursuant to the Company's procedures and policies.

The principles of accuracy, fairness, transparency and prudence form the basis for external communications, the purpose of which is to help spread awareness of Company policies, programmes and projects.

## **9. Implementing the Code of Ethics**

### **9.1 Internal control system**

It is the Company's policy to spread, at all levels, a culture characterised by an awareness of the existence of checks and the adoption of a mentality geared towards the carrying out of the inspection itself.

Attitudes towards checks must be positive, as this helps improve managerial efficiency and effectiveness.

Internal controls must be seen as a necessary and useful tool for directing, managing and verifying the Company's business, with the aim of ensuring all legislation and procedures are being abided by, of protecting the Company's assets and people's health/safety, of efficiently managing the business, and of supplying accurate and complete accounts and financial data.

The entire internal control system must reasonably allow:

- compliance with the regulations in force, with Company procedures and with the Code of Ethics;
- adherence to Company strategies and policies;
- protection of the Company's tangible and intangible assets;
- efficient and effective management;
- reliability of internal and external data concerning finance, accounting and management.

Responsibility for creating an effective internal control system is shared across every level of the organisation. As a result, everyone, within the remit of their role, is responsible for defining the control system and ensuring it functions properly.

### **9.2 Supervisory Board**

A Supervisory Board has been established. The following tasks relating to the Code of Ethics are entrusted to that board:

- monitoring that Code Recipients are applying the Code, by implementing specific "compliance programs" and plans for internal audits, and receiving alerts raised by internal or external stakeholders;
- passing requests for disciplinary action (as a result of Code breaches) to Company management and the administrative bodies;
- regularly reporting its activities to the Board of Directors, raising any significant breaches of the Code;
- extending opinions regarding the revision of the most relevant policies and procedures, in order to ensure they are consistent with the Code;
- making provisions for proposals to be made concerning periodic updates to the Code, where necessary.

### **9.3 Education and training**

All Code Recipients, internal and external, are made aware of the Code of Ethics through suitable acts of communication. It is, in any case, available on the Company website.

In order to ensure the Code is correctly understood, the HR office or HR department shall prepare and carry out (if relevant, in line with any indications made by the Supervisory Board) a regular education/training plan aimed at increasing awareness of the ethical principles and norms contained in the Code.

Training initiatives shall vary in accordance with roles and responsibilities.

#### **9.4 Raising alerts**

Pursuant to Law no. 179 of 30 November 2017, the Company has established suitable communication channels through which affected or involved subjects may raise alerts concerning any unlawful acts, or breaches of the Code or Organisational Model.

All affected or involved subjects may alert the Supervisory Board of any breach or suspected breach of the Code, in writing and anonymously, via a dedicated email address. The Board which will assess the alert, and then take an account from the reporting party and/or the person who has committed the alleged breach.

The Supervisory Board shall take action to protect reporting parties against any form of reprisal, intended as a way of providing protection against any form or suspected form of discrimination or punishment.

Confidentiality shall be guaranteed for the reporting party, without prejudice to legal obligations. Any actions within the Company environment aimed at the reporting party that might be understood as retaliatory or discriminatory are forbidden and disciplinary action shall be taken.

#### **9.5 Breaches of the Code of Ethics**

In the event that a breach of the Code is confirmed, the Supervisory Board, coordinating with the Employer, shall begin disciplinary proceedings and, if relevant, take disciplinary action.

The Company's Disciplinary Code sets forth the disciplinary action that may be taken against Code Recipients, in relation to the nature of the transgressor and their transgression.

Disciplinary actions reserved for directors follow the principles set forth in the Italian Civil Code and the Articles of Association.

Disciplinary actions reserved for employees follow the provisions of art. 7 of Law no. 300 of 1970 (Workers' Statute).

Disciplinary actions reserved for external consultants and workers, suppliers, or contractors follow the specifics of their professional duties and the provisions of their contracts.

The severity of the disciplinary action is determined by taking into account the seriousness or recurrence of the breach and in any case by proportionately aligning the seriousness of the alleged breach with the intensity of the disciplinary action.

The Supervisory Board checks the effectiveness and correct implementation of the disciplinary system.

Montichiari (Brescia) on 12/03/2018