

# Code of Conduct

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## 1. Introduction

The present document, called the “Code of Conduct” (hereinafter, also the “Code”) is an official document which expresses the Group’s values, duties and ethical responsibilities and the conduct to be observed in carrying out the business and corporate activities of Biesse S.p.A. and the other companies of the Biesse Group (hereinafter, also “Biesse” or the “Company”). It also regulates all of the rights, duties and responsibilities that Biesse expressly assumes in its relations with all those it deals with in carrying out its activities.

The Code, therefore, is also intended to introduce to Biesse and make mandatory the principles and rules of conduct relating to the prevention of the offences described in Decree Law no. 231 of 8 June 2001.

The Code, in its entirety and together with all of the specific procedures implemented and approved by the Company, must be considered an integral part of all existing and future contracts of employment, in accordance with article 2104 of the Italian Civil Code.

Violation of the provisions of the Code therefore constitutes a disciplinary offence and, as such, will be prosecuted and sanctioned by the Company in accordance with, and in effect of, the provisions of article 7 of Law 300/1970 and for which the Company will seek compensatory damages.

Business partners, consultants and independent workers who provide services to the Company and other third parties are expected to sign the present document or an extract of the same or to adhere to its provisions and principles as a sine qua non condition of any contract signed by the Company and the aforementioned persons; the provisions thus signed, or approved, even implicitly, constitutes an integral part of the said contract.

As a result of the above, any violation of specific provisions of the Code by third parties, depending on the gravity of the violation, may legitimise rescission of the contract with the said parties by the Company and may also be considered ex ante justification for the automatic cancellation of the contract in accordance with article 1456 of the Italian Civil Code.

## 2. Vision

Biesse’s Vision is to simplify clients’ manufacturing process, empowering their imagination to enhance people’s everyday life.

## 3. Mission

Biesse’s Mission is to provide clients with the most suitable solutions, committing our rooted competence to enable them to unleash the potential within any material.

## 4. Valori di Biesse

Biesse's Values are:

### **International natives**

The sense of belonging without borders that enhances the peculiarities of individuals.

### **Insightful curiosity**

A constant desire for discovery, which turns into intuition.

### **Genuine "maestria" / mastery**

The original "know-how" which comes out from a of genuine tradition.

### **Widespread transparency**

The honesty of the people, the integrity of the company.

### **Heartfelt commitment**

The adherence to a common project, lived and strengthened on a daily basis.

### **Respectful sight**

The care for environment, society, people.

## 5. Adoption of the Code of Conduct and its recipients

The Code of conduct is approved by Biesse's Board of Directors and periodically updated with subsequent resolutions, is aimed at company bodies and their constituents, employees, full-time and temporary workers, consultants and business partners of all kinds, agents and any other person acting in the name of and on behalf of Biesse (hereinafter "Recipients of the Present Code"). The Recipients of the present Code must undertake to learn its contents and respect the precepts of the Code which is put at their disposal, in accordance with the following specifications. The Code, in addition to reflecting the values and rules of conduct shared by all employees of Biesse must be interpreted in conjunction with all the Group's existing Policies, Guidelines and procedures.

In particular, the Board of Directors, in setting corporate objectives, must be guided by the principles contained in the Code.

The top management of the Company must take charge of the effective application of the Code and its dissemination inside and outside the Company and must periodically review its contents taking into consideration constructive suggestions received by employees and business partners.

The Company's employees, in addition to according the respect due to the regulations in force and the provisions stipulated in collective agreements, must undertake to align the performance of their work activities to the

objectives and provisions established by the present Code; and to apply them as much in their inter-company relationships as to relationships with persons not belonging to the Company and, particularly, in relations with Public Administration and Public Authorities.

A binding requirement for any beneficial collaboration with the Company is the full respect by business partners and other third parties for the principles and provisions contained in the present Code. Consequently, when a contract is signed with business partners or other third parties the Company must provide the signatories with a copy of the present Code of conduct or with an appropriate extract of the present Code.

The Code of conduct is available on Biesse Group's website ([www.biessegroup.com](http://www.biessegroup.com)), on the intranet portal and on every company notice board.

## 6. Rules of conduct

The rules of conduct contained in the present section are intended to indicate the conduct to be observed in carrying out the various activities of the company in accordance with the underlying values of the present Code.

These rules are subdivided in relation to the persons with whom Biesse engages in carrying out its activities.

### 6.1 Employees and business partners

The Biesse Group recognises the value of its employees and business partners and believes that the motivation, professionalism and continued competitiveness of its employees and business partners is fundamental to the creation of value for stakeholders and to client satisfaction. The following principles comply with national laws, the U.N.'s Universal Declaration of Human Rights and the fundamental conventions of the I.L.O. (International Labour Organisation) which confirm the importance of the individual, equal treatment, the prohibition of any form of discrimination and the defence of basic human rights. Biesse Group, in conducting its activities, and in particular referring to Human Rights, Labour, Environment and Anti-Corruption, is fully inspired by the ten Principles issued by the UN Global Compact.

#### 6.1.1 Correct and transparent conduct

Employees and business partners (meaning directors, employees and anyone who, irrespective of the judicial categorisation of their relationship, operates under the direction or supervision of Biesse) must observe correct and transparent conduct in carrying out their work, thereby contributing to the effectiveness of the internal control system, in protection of the values espoused by Biesse. In accordance with the law, the conduct of business partners must be based on their full openness towards partners, shareholders, the board of Statutory Auditors, other company bodies, the

independent auditing company and supervisory authorities.

### **6.1.2 Equal opportunities and enhancing the value of personnel**

Biesse recognises the fundamental importance of human resources in the conviction that the principal factor behind the success of any business is the professional contribution of the people who work in it, in a framework of reciprocal loyalty and trust. Therefore in the selection, employment and career development of its personnel Biesse conducts evaluations exclusively on the basis of agreement between the personnel profiles expected and the profiles requested and in consideration of transparent and verifiable qualifications, in accordance with the defined procedures. The management of working relationships is aimed at guaranteeing equal opportunities and encouraging the professional growth of employees.

The Company's personnel selection process does not tolerate any kind of trade union, political, religious, racial, linguistic or sexual discrimination, either direct or indirect.

In addition, the Company undertakes not to favour in any way any candidate proposed by third parties, particularly those in Public Administration, or by the Company's clients. In the event that candidates are proposed to Departmental managers, or to employees, by persons involved in Public Administration, the Supervisory Body must be informed immediately, where after it will initiate any enquiries that it deems appropriate. Whenever the candidates proposed by the aforementioned persons are suitable for employment with the Company, their employment must however be subject to the prior written consent of the Supervisory Body.

Similar procedures must be followed with regard to candidates proposed by Departmental managers of the Company.

The Company provides mandatory personnel training courses which must be attended by selected employees. These courses are aimed at providing personnel with correct and detailed information about specific sensitive areas such as, purely for example, safety in the workplace: the management of emergencies in the workplace, fire prevention, and also the use of video terminals and other electronic apparatus etc.

The Company distributes the documentation necessary for personnel training regarding sensitive subjects and matters of particular significance to all its employees.

### **6.1.3 Child labour and forced labour**

The Biesse Group condemns any kind of forced labour, slave labour or child labour or the employment of persons of less than the minimum age established by the laws of the place in which work is carried out and does not maintain relationships with suppliers who, directly or indirectly, exploit or

utilise child labour.

#### **6.1.4 Freedom of association**

Employees of the Biesse are free to become members of a union in accordance with local laws and to hold diverse opinions as expressed by different organisations. The group guarantees its employees the possibility to become union representatives or to become any other kind of representatives elected in accordance with the regulations and accepted practices prevailing in any location in which it operates. Biesse undertakes to install, maintain and conduct a constructive relationship with any kind of association as long as it complies with the laws and regulations in force.

#### **6.1.5 Harassment**

Biesse Group considers absolutely unacceptable any type or form of harassment whether it is racial, sexual or based on personal and physical characteristics and which violates the dignity of the individual inside or outside the workplace.

#### **6.1.6 Remuneration and working hours**

Remuneration, benefits, bonuses, allowances and any other form of remuneration received by employees of the group comply with the requirements of local laws.

#### **6.1.7 Protection of the Company's capital and respect for information policies**

Every employee and business partner is obliged to show diligence in the protection of the Company's assets and to behave responsibly and in line with the Company's policies.

Every employee and business partner is responsible for the protection and preservation of the Company's assets entrusted to him in the course of his activity and must utilise them in a way that is appropriate and in accordance with the Company's interests, and in their conduct must reasonably prevent improper use of the assets by third parties.

Every employee and business partner is obliged to be scrupulous in their adherence to the Company's security policies with regard to information systems in order to avoid the operational and protection of information systems from being compromised.

Every employee and business partner is obliged to not communicate any passwords or access codes of any kind that may be in his possession. Every employee and business partner is also obliged to prohibit unauthorised persons from gaining access to other people's information systems and not to act in any way that damages or destroys information systems or



information. Every employee and business partner in general is obliged to adhere to the principles of correctness, integrity, appropriateness and confidentiality in the utilisation of information systems in observance of the related policies adopted by the Company. They must therefore avoid any form of conduct that might in any way, even potentially, result in a violation of the policies adopted by Biesse and applicable laws.

Relatively to the use of internet and social media channels, all employees during working hours and free time, are obliged to respect the rules of conduct in accordance with the group guidelines.

#### **6.1.8 Obligations of all employees and business partners**

Every employee is requested to inform themselves of the provisions contained in the Code or required by the same, as well as the relevant laws that govern the activity carried out by his department and which constitute an integral element of the work performed by each of them.

Any employee who suspects possible illegal conduct is obliged to inform of his suspicions of the conduct in question through reporting channels established by Biesse.

Employees are also obliged to:

- a) abstain from any conduct that violates these provisions and regulations;
- b) promptly report any potential violation of the Code through reporting channels established by Biesse;
- c) cooperate with the Company in any enquiry to investigate potential violations and determine sanctions for any potential violations.

#### **6.1.9 Further obligations for company departmental managers**

Every Company Departmental Manager is obliged to:

- a) Ensure observance of the Code by their direct subordinates;
- b) Conduct themselves in a way that sets an example for their employees;
- c) Make an effort to ensure that employees understand that the provisions of the Code constitute an integral part of their service obligations;
- d) select employees and business partners who agree to adhere to respect the principles of the Code;
- e) promptly report any recommendation or requirement of their employees to the Human Resources Manager or to the Supervisory Body;

Should any Departmental manager fail to observe the obligations referred to

in the present article he may be subject to disciplinary action, including dismissal.

#### **6.1.10 External applications of the Code**

Anyone acting in the name of or on behalf of the Company who enters into contact with third parties with whom the Company intends to engage in a commercial relationship or with whom the Company is obliged to maintain institutional, social, political relations or any relations of any other kind, is obliged to:

- a) inform the said persons of the duties and obligations imposed by the Code;
- b) demand compliance with the obligations of the Code in carrying out their activity;
- c) initiate the necessary internal procedures in the event that third parties refuse to comply with the Code or in the event of non-execution or partial execution of the duties assumed in adherence with the provisions of the Code.

#### **6.1.11 Use of Company assets and information**

All employees and business partners are requested to observe diligence in the utilisation of company assets and information, avoiding improper use that could cause damage to the Group.

All employees and business partners are responsible for the care of the corporate assets and information of Biesse entrusted to them for the purpose of their work or collaboration, and they must utilise them in an appropriate way and exclusively in the interests of the Biesse group, and to prohibit any inappropriate use of the same by third parties. The obligation to care for company assets, both tangible and intangible, (e.g. intellectual property, patents, brands, research, technical designs etc.).

#### **6.1.12 Conflicts of interest**

All employees and business partners must ensure that any decision made in the course of their work must be made in the interests of Biesse.

All employees and business partners (employees, directors, managers, etc.) are obliged to avoid any activity or situation of personal interest that constitutes or may constitute, even potentially, a conflict between the personal interests of the individual and those of the Company and, in any case, they are obliged to comply with the specific policies adopted by the Company in this regard.

All employees and business partners must abstain from taking any advantage of their position within the Company to benefit themselves or third

parties to the detriment or disadvantage of the Company. All employees and business partners are prohibited from taking part, directly or indirectly, in any way, in commercial initiatives that, even potentially, puts them in competition with the Company, unless they have given prior notice of their position to, and have received approval from, the Board of Directors in consultation with the Supervisory Body.

In accordance with the principle of providing maximum transparency to the stakeholders each of the aforementioned persons are obliged to exercise the greatest rigour in evaluating the circumstances described above.

In the event that conflicts of interest, even potential, have been identified either within or outside the company, every person involved will be obliged to abstain from the conduct that is perceived to represent a conflict of interest and to promptly inform the Supervisory Body, which has the responsibility to evaluate, on a case by case basis, the possible existence of incompatible or prejudicial conduct.

#### **6.1.13 Competitive practices**

It is of primary importance to Biesse that the market is based on correct and fair competition. Biesse has a duty to scrupulously observe the relevant laws and to cooperate with the regulatory authorities for the market.

Any form of collusion between Biesse and its competitors in terms of pricing, marketing, product and service development lists, sales areas and objectives, market research and information that is the exclusive property of the Company or which is confidential in any way may constitute illegal conduct and compromise the responsibility of the Company's adherence to the competition regulations in force. Employees are therefore prohibited to initiate any relations with actual or potential competitors that does not have the prior approval of their superiors and the prior consent of the Supervisory Body.

The Company does not condone or participate in illegal or unfair conduct to take possession of trade secrets, lists of suppliers of information relating to the infrastructure or other aspects of the economic activity of third parties. Neither does the Company hire employees from competing companies with a view to obtaining confidential information nor does it induce the personnel or clients of competing companies to divulge information that they are not entitled to reveal.

#### **6.1.14 Gifts and benefits**

No gifts are allowed which may be construed as exceeding the norms of commercial practice or courtesy, or which may be used to obtain favourable treatment in the conduct of any activity connected with the Company. This regulation - which does not permit dispensations even in those countries in which the exchange of valuable gifts is common practice - relates to gifts

promised or offered, as well as received, and includes benefits offered as gifts. The Company abstains from any practice that is not permitted by law, by commercial practice or by codes of ethics, if noted, by companies or bodies with which it has a relationship.

In any event, the issuing of gifts by the Company – except for those of modest value – can only be made in compliance with the rules contained in the present article:

- a) in no circumstances are gifts allowed to be made to persons involved in Public Administration, public officials, persons engaged in public service or public servants;
- b) where gifts are intended for persons not covered by sub-category a), the offer of a gift must be:
  - communicated in advance to the relevant Departmental manager;
  - expressly approved by the relevant Departmental manager, having given prior notice to the Supervisory Body;
  - documented in an appropriate fashion in order to allow the necessary checks to be made.

#### **6.1.15 Transparency in every transaction and activity**

Every transaction and activity must be legal, authorised, consistent, documented, verifiable, compliant with the principles allowing it to be traced and with company procedures, in accordance with the criteria of prudence and the protection of the interests of Biesse:

- company procedures must allow the implementation of checks on transactions, on the authorising processes and the execution of the said transaction;
- every employee and business partner who carries out transactions involving sums of money, goods or any other asset of economic value belonging to the Company, must reasonably provide the necessary evidence to allow the said transactions to be subjected to checks.

#### **6.1.16 Accounting transparency**

The Company's accounting procedures comply with the generally accepted principles of truth, accuracy, completeness and transparency of the reported figure.

The Recipients of the present Code are obliged to abstain from any conduct, act or omission, that directly or indirectly violates the regulatory principles and/or the internal procedures relating to the preparation of accounting documents and their representation outside the Group. In particular the Recipients of the present Code are obliged to cooperate so that every transaction and operation is promptly and correctly reported in the company's accounting system according to the criteria indicated by law and

the applicable accounting principles, and where necessary, duly authorised and checked.

The Recipients of the present Code are also obliged to preserve and make available, for any transaction or operation carried out, adequate documentation to help ensure:

- a) accurate representation in the accounts;
- b) immediate identification of the characteristics and the reasons behind it;
- c) ease of reconstruction of the nature and timing of the transaction or operation;
- d) checks can be made to the legitimacy, consistency and adequacy of the decision-making process and the authorising and completion process as well as identification of the various levels of responsibility.

Recipients of the present Code who become aware of omission, falsification or neglect of accounting reporting or in the supporting documentation are obliged to report promptly to their direct superiors or to the Supervisory Body and/or the Human Resources manager.

The Company encourages the implementation of training and updating programmes to allow the Recipients of the present Code to be fully instructed in the rules (laws or regulations, internal statutes, provisions of the relevant associations) that govern the preparation and management of the accounting documents.

#### **6.1.17 Internal controls**

The Company encourages the adoption at every level of a philosophy aimed at exercising controls. A positive attitude to controls contributes in a significant way to improving the efficiency of the company.

Internal controls mean all of the instruments adopted by the Company in order to address, manage and check the activities of the business in order to ensure compliance with the law and company procedures, to protect the company's assets, manage its activities efficiently and to supply accurate and complete accounting and financial data.

Every level of the organisational structure has a duty to contribute to the realisation of an effective and efficient internal control system.

Consequently, all employees of the Company in the course of their work and the responsibilities attributed to them are responsible for the correct functioning of the internal control system

The Company assures its partners, the independent auditors and the other corporate bodies with powers of control, as well as the Supervisory Body full access to data, to the documents and to any other information useful to the conduct of their activities.

### **6.1.18 Treatment of information**

#### **Transparency and correctness of information**

Employees and business partners must ensure, to the best of their knowledge, veracity, transparency, accuracy and completeness of the documentation and information provided in carrying out their work.

Biesse condemns any conduct intended to change the correctness or veracity of the data and information contained in the financial statements, accounting reports or in any other corporate communication required by law and intended for use by partners, shareholders, the public, Regulatory Authorities, the Board of Statutory Auditors and the independent auditors.

All persons who are involved in the preparation of the aforementioned documents and in particular the members of the Board of Directors and the top management of Biesse, are obliged to verify, with due diligence, the correctness of the data and the information that is provided for the preparation of the documents indicated above and to provide data and information promptly.

Biesse, through its company bodies and delegated persons, ensures maximum transparency and attention to its relations with the independent auditors.

#### **Confidentiality of information**

Biesse guarantees the correct management of confidential information, ensuring rigorous compliance with laws in force and company procedures and requires employees and business partners to maintain the absolute confidentiality of any reserved information pertaining to Biesse that comes to their attention in the conduct of their activities or during the carrying out of contractual duties.

#### **Privileged information**

Confidential information is defined as privileged information or price sensitive information, or that information that is not in the public domain and which corresponds to the following characteristics:

- where it refers directly or indirectly to one or more issuers of financial instruments or to one or more financial instruments;
- where, if made public, it could significantly influence the price of financial instruments, being information that may be utilised by a reasonable investor as a factor in arriving at his investment decisions.

For example, and not exhaustively, privileged information is information that relates to economic and financial data, projects, acquisitions, mergers and commercial strategies relating to the activities of Biesse.

Biesse guarantees the adequate management and protection of privileged information, through the application of appropriate procedures and the

setting up of a register of persons with access to privileged information.

#### **Market manipulation**

In order to ensure the correct functioning of markets, it is forbidden to intentionally disseminate false information regarding Biesse or its business partners whether inside or outside the Biesse Group.

It is also forbidden to enter into transactions with the exclusive objective of influencing financial markets, provoking an artificial rise or fall in the price of securities or financial instruments.

#### **6.1.19 Protection of personal data**

In carrying out its activities, Biesse protects the personal data of its employees, business partners and third parties and avoids any improper use of such information in accordance with the applicable laws and company procedures.

## **6.2 Shareholders and partners**

### **6.2.1 Value creation and business sustainability**

Biesse aims to enhance the value of its share capital, and undertakes an appropriate risk/reward policy, in order to enhance the financial strength of the company through a policy of long term sustainability in accordance with market regulations and in compliance with the principles of correctness and transparency.

Biesse recognises and protects the predominant interests in the Company of all those who hold shares in the share capital (partners and shareholders) and fully respects the interests of individual partners, shareholders or groups of partners or shareholders.

### **6.2.2 Rules of Corporate Governance**

Biesse has adopted a system of Corporate Governance in accordance with the regulations in force and complies with the recommendations prescribed in “the Code of Corporate Governance of Borsa Italiana” for listed companies, as well as national and international best practice relating to corporate governance. The Corporate Governance code defines the principles of good management in order to reinforce the reliability of Biesse, and the protection of all of its partners, shareholders and interested parties.

### **6.2.3 Information and dialogue**

Biesse ensures the complete transparency of the choices made and adopts the objective of maintaining and developing a constructive dialogue with its partners and shareholders. Therefore, consistent with the defined procedures, it promptly provides partners and shareholders with all and any information that may influence their investment decisions, so that it is

possible for them to make informed and knowledgeable decisions. Biesse guarantees the correctness, clarity, and equality of access to information in accordance with the laws in force, in order to prevent the undue utilisation of privileged information.

In respect of the fundamental rights of each partner and shareholder to obtain clarification of the various issues pertaining to the activities of Biesse and to allow them to express an opinion, Biesse undertakes to make available whatever is necessary to ensure a profitable relationship.

## **6.3 External relations**

### **6.3.1 Clients**

With regard to its own clients, Biesse places the greatest attention on the quality and safety of its own processes and production plants as well as of its machinery, pursuing a policy of continuous innovation through significant and constant investment in research and development, in order to continuously improve the quality and the competitiveness of the products it offers to clients.

Biesse provides accurate, complete and factual information in order to allow its clients to make rational and informed decisions.

Biesse also adopts a style of communication based on efficiency, cooperation and courtesy in its dialogue with clients.

### **6.3.2 Financial institutions**

Biesse maintains relations with financial institutions based on correctness and transparency, with a view to creating value for Biesse, its partners and shareholders and all relevant persons.

Consequently, financial institutions are selected on the basis of their reputation and their adherence to values compatible with those expressed in the present Code.

### **6.3.3 Distributors**

Relations with distributors who resell Biesse equipment are characterised by maximum cooperation and transparency in order to ensure the advantage of all parties.

Biesse's contractual relationships are defined in accordance with correctness and good faith, in respect of common values as inspired by the present Code.

### **6.3.4 Suppliers of goods and services**

Biesse establishes cooperative relationships with its suppliers, in accordance with regulations in force and the principles of the present Code,



dedicating attention to the best professional standards, best practice in terms of ethics, concern for health and safety, and respect for the environment.

The Company's supplier selection procedures – based on objective and verifiable criteria – take into consideration, amongst other things, economic convenience, technical capability, reliability, quality of materials, the ability of suppliers to respond to the Company's quality procedures, as well as the credentials of its own counterparties.

In any case, it is the obligation of the responsible departments to ensure – where possible – equal opportunities for the suppliers in possession of the requirements demanded. As part of the supplier selection process, the Company has adopted a periodic monitoring system the aim of which is to verify that suppliers are at all times in possession of the aforementioned requirements.

In their relations with suppliers the Recipients of the present Code may not accept payment, gifts or favourable treatment that does not comply with the conditions referred to in article referred to above.

The Recipients of the present Code are nevertheless obliged to notify the manager of the department involved and/or the Supervisory Body of any such offers received.

Similarly, it is forbidden to offer or send to the aforementioned persons any gifts or favourable treatment that does not comply with the conditions referred to above.

### **6.3.5 Partner**

In order to respond to the growing complexity of its business, Biesse supports initiatives, such as joint ventures or shareholdings in companies together with its business partners, which may be chosen on the basis of their reputation and reliability as well as compliance with values compatible with those expressed in the present Code.

Relations with partners are based on transparent agreements and on a constructive dialogue aimed at achieving common objectives consistent with the regulations and principles of the present Code.

### **6.3.6 Public Administration**

In its relations with Public Administration, Biesse is guided by and adheres to the principles of correctness and honesty.

Persons appointed by Biesse to enter into any negotiations, make any request or engage in any institutional relationship with Italian or foreign Public Administration, must not, for any reason, seek to exert improper influence on any decisions, nor must they be involved in illegal activity such as offering money or other goods, that may impair the impartial judgement of

the person representing the Public Administration.

The above remaining unchanged, it is also forbidden to change the content of any commercial offer made to the Public Administration, which has not received the prior approval of the manager of the department involved, with the prior written consent of the Supervisory Body.

### **6.3.7 Working relations with former Public Administration employees**

The provisions of paragraph 5.1.2 remaining unchanged, the employment of former Public Administration employees, who in the performance of their former duties were engaged in a relationship with Biesse, or employment of their relatives and/or kin must rigorously comply with the standard procedures established by the Company for the selection and employment of personnel.

The establishment of any other kind of working relationship with former Public Administration employees, or their relatives and/or kin, must rigorously comply with standard procedures.

### **6.3.8 Subsidies and financing**

Grants, subsidies or financing obtained from the European Union, from the State or from any other Public Body, even if of modest value and/or amount, must be employed for the purposes for which they were requested and to which they are connected.

Similarly, in the event of participation in matters of public notice, the Recipients of the present Code are obliged to operate in accordance with the law and correct commercial practice, and not to induce Public Administration to operate unduly in favour of the Company.

Illegal conduct also refers to the use of changed or falsified declarations or documents, the omission of information or, in general, the use of fraud or deception in order to obtain concessions, authorisation, financing or grants from the European Union, the State or any other Public Body.

### **6.3.9 Public supervisory authorities**

Recipients of the present Code are obliged to scrupulously observe the provisions issued by competent Institutions or public Supervisory Authorities in accordance with the regulations applicable to the sectors in which they operate.

Recipients of the present Code are also obliged, in their dealings with Institutions and/or public Supervisory Authorities, to ensure that they do not present applications or requests containing false declarations in order to obtain public loans, grants or subsidies or to unduly obtain concessions, authorisations, licences or other administrative permits.

Recipients of the present Code are obliged to adhere to any request from the aforementioned Institutions or Authorities regarding their respective supervisory functions, providing - where requested – their full cooperation and avoiding any obstructive behaviour

#### **6.3.10 Political organisations and associations of vested interests**

Biesse engages in a transparent way with all political organisations, in order to correctly represent its own views on relevant issues and themes.

Biesse maintains relations with trade associations, unions, environmental organisations and similar associations with the objective of developing its own activities, establishing reciprocally beneficial forms of cooperation and to present its own views. The presentation of views specific to Biesse to political organisations and/or associations must have the consent of top management or by the appropriate departments.

#### **6.3.11 Grants and sponsorship**

Biesse is willing to provide grants and sponsorship, in accordance with the established procedures, which provide it with suitable publicity, in support of initiatives proposed by public and private bodies and non-profit associations, regularly established in accordance with the law and which promote the underlying values of the present Code. Sponsorship and Grants may relate to social, cultural, sporting and artistic events; they may also be aimed at carrying out studies, research, conventions and seminars which address themes and subjects of interest to Biesse.

#### **6.3.12 Mass-Media**

Relations with mass-media are based on compliance with rights to information.

The external communication of data or information must be factual, accurate, clear, transparent, respectful of personal integrity and the privacy, coordinated and consistent with Biesse's policies. Information relating to Biesse and directed at mass-media may be disseminated only by the company departments authorised to deal with it or with their authorisation, in accordance with established procedures.

### **6.4 Health, safety and the environment**

Biesse is obliged to encourage and build upon a safety culture which incorporates care for the safety of employees and environmental protection on equal terms with production. As part of their own activities all business partners are obliged to give health & safety and environmental issues the same attention and consideration as they give to production. In order to manage environmental protection and health & safety matters the Biesse Group has approved quality, environmental, health & safety and ethics

policies which established guidelines and the standards to be applied.

#### **6.4. Health & safety in the workplace**

Biesse's activities must be carried out in full compliance with the regulations in force and the company directives relating to accident prevention and the protection of workers relating to safety in the workplace.

The improvement of health and safety conditions at work, together with protection of the environment must be a constant point of reference in the operating management of the company and its objectives and must be based on the following principles:

##### **A. safer conduct**

All workers are trained, instructed and prepared for the safety duties assigned to them and to assume their responsibilities regarding health & safety at work; throughout the company structure.

##### **B. Continuous evolution for a safer workplace**

All related matters, safety issues must be considered in any new activity right from its conception, or where existing activities are restructured, with regard to protection of the working environment and the related instruments necessary for carrying out day-to-day operations with the aim of creating a better and safer workplace.

Employees and business partners, each with regard to his own job, participate in a process of risk identification and prevention, environmental protection and safeguarding each other's health & safety as well as that of other people. The working environment must be fully adapted to guarantee the health & safety of personnel. Biesse undertakes to ensure that each employee is treated with due respect and protected from any illegal behaviour, hardship or prejudice.

Biesse's activities are guided by the following principles:

- risk avoidance;
- evaluation of risks that cannot be avoided;
- attacking risks at their source;
- to adapt the work to the worker, in particular as regards the design of the workplace and the choice of working and production equipment and methods, in particular to minimise monotonous or repetitive work and to reduce the health effects of such work;
- awareness of the rate of technical advance;
- substitution of whatever might be dangerous with whatever is less dangerous or not dangerous;
- institutionalise prevention, and to aim for a coherent group characterised by technical awareness and sensitive to work

organisation, working conditions, social relations and the influence of work on the environment;

- prioritise collective protection measures to individual protection;
- provide adequate training for employees.

These principles are utilised by Biesse to take the necessary measures to protect the health and safety of workers, including action to prevent professional risk, information risk and training risk and preparing the organisation with the necessary equipment and procedures.

Each of the Company's employees and business partners, whether in management or on the shop floor, must adhere to these principles, particularly when decisions or choices have to be made and in their implementation.

#### **6.4.2 Environmental protection**

Biesse believes the environment is a resource that must be protected for the benefit of society and for future generations. In accordance with regulations in force, Biesse has adopted the most appropriate measures for the protection of the environment, encouraging and planning for the development of its operations in manner that is consistent with this objective and in support of education initiatives.

Biesse Group has a duty to optimize the management of all environmental matters (resources, water, waste, raw materials) in order to bequeath a less impoverished and more hospitable environment to future generations.

The Group has undertaken a duty to review and redesign its product range, and to research new ways of reducing its environmental impact by increasing durability and flexibility, energy saving and more readily recyclable components.

#### **6.4.3 Reduction of the impact of production systems**

Biesse Group's duty is therefore to review and redesign processes and technologies to prevent and/or reduce their environmental impact.

This will be possible only by applying the best production techniques and guaranteeing the rational and efficient utilisation of energy resources and raw materials.

#### **6.4.4 Compliance with the law**

The group undertakes to comply with environmental and health and safety legislation in the areas in which it operates.

## **7. Methods of implementation and monitoring programme**

### **7.1 Communication and training**

The present Code is brought to the attention of all internal and external persons involved in pursuing the company mission through the appropriate systems of communication and training.

### **7.2 Control bodies and mechanisms**

The present Code of conduct is an integral part, and constitutes implementation of, the Organisation, Management and Control Model adopted by Biesse in order to prevent offences being committed in the interest of or to the advantage of the Company by the persons referred to in Decree Law no. 231 of 8 June 2001 (hereinafter, also the “Model”)

### **7.3 Supervisory Body**

The Supervisory Body has a mandate to check the functioning and application of the Model and its periodic updating. It also monitors compliance with the Code of conduct by its Recipients.

The Supervisory Body retains the necessary characteristics of autonomy and independence, it is equipped with powers to make enquiries and checks and powers act on its own initiative in carrying out its assigned duties.

The duties and responsibilities of the Supervisory Body are described in the document entitled “Statute of the Supervisory Body”.

### **7.4 System of delegation**

Biesse has adopted a system of delegation on the basis of which certain activities may be carried out only by persons who are expressly authorised for that purpose, being equipped with the powers granted to them through the appropriate agency of a notary.

### **7.5 Violation of the code of conduct and sanctions**

Where it has been deemed necessary to protect the Company’s interests Biesse has adopted disciplinary measures, contained in the Model’s Sanctioning System, in accordance with regulations in force and labour contracts, for any violation of the Code of conduct which apply to those who have been found to violate it. These measures include, where necessary, dismissal from the Company of those found to have violated the Code, as well as action to seek damages arising from the said violation.

Failure to adhere to the Code of conduct by members of the company’s governing bodies may result in the adoption, by the relevant company bodies, of the most appropriate measures allowed by law.

Violations of the rules of the Code by employees constitutes a breach of the obligations implicit in their working relations and gives rise to legal and

contractual consequences including treating the violation as a disciplinary offence.

Violations committed by suppliers and external business partners are sanctionable in accordance with the terms of their relevant contract except where a more serious violation of the law has been committed.

## **8. Final comments**

### **8.1 Conflicts with the Code**

In the event that even one of the provisions of the present Code should conflict with the provisions of internal regulations or procedures, the Code will prevail over any such latter provision.

### **8.2 Amendments to the Code**

Any amendment and/or addition to the present Code can only be introduced by the same means adopted for its initial approval.

The present Code is – at least once a year – subjected to checks and eventual updating by the Board of Directors, also at the behest of the Supervisory Body, in consultation with the Board of Statutory Auditors.

