



cefla

Making Your Life Better.

CODE OF ETHICS

The set of values, principles, and rules of conduct forming the guidelines to be followed by everyone who contributes to the pursuit of the company's mission and purpose.

Approved by the Board of Directors of Cefla S. C. on 18 January 2022.

Please consider the environment before you print

"I love Energy" project



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1. Cefla Group

1.1 Cefla Today

Cefla S.c. (hereinafter “Cefla”) was established in 1932 in Imola as a cooperative specialized in electrical and thermohydraulic systems.

Since then, Cefla has grown, building on its roots to become a large multi-business group that draws strength from its diversity.

Cefla today is a company with a solid identity that operates around the world in various business sectors. We believe in the value of sharing, of getting involved and doing business with people, and we support the local areas we invest in, which gives us strength as a group and builds confidence in our customers.

Cefla is a company made up of three business units. Each has its own history of accomplishments, products, processes, and innovations, yet they are all part of the same quest for improvement, in which partnerships and expertise interact to generate excellence and ensure satisfaction for all our customers and stakeholders.

Each of our business units works separately with skill and competence towards the objectives set in their respective segments, but they are united by a common framework, in which networks and skills are pooled together to complement and support each other.

That is the strength that comes from doing things together. A precious heritage and legacy to be passed on from generation to generation.

1.2 Business Units

Each of our business units is separate in its specific history, products, and processes, but they are united in their pursuit of a common mission—to anticipate the innovations that will bring benefits to consumers and turn them swiftly into reality, to make them available to our customers.

1.2.1 Engineering

Technologies to enhance your wellbeing

The Engineering business unit focuses on the design, construction, and management of technological plants for the civil, industrial, and energy sectors, with the aim of improving the quality and comfort of the places where people live, work, and share their free time.

1.2.2 Finishing

Surface enhancement technology leader

The Finishing business unit is specialized in surface enhancement. It develops innovative technological solutions to construct painting, industrial digital printing, decoration, and resurfacing machines for wood, glass, plastics, ceramics, fibre cement, composite materials, and metals, designed as turnkey

solutions for a wide variety of sectors, from building, furniture, and packaging to the aerospace and automotive industries.

1.2.3 Medical Equipment

Clinical devices and technologies to enhance your professional skills

The Medical Equipment business unit serves medical professionals in all aspects of clinical practice, offering a range of dental units, intraoral and extraoral 2D and 3D digital radiology units, diagnostic and imaging management software, dynamic instrumentation, sterilization systems, and medical devices for dental implants and oral surgery.

1.3 Our Mission

To create lasting value

Cefla's mission is to reinvest its earnings in product and process innovation to generate benefits for its customers and, in so doing, a virtuous circle of mutual aid (*job security, better pay, improved working conditions, and welfare*) for all its stakeholders—its members and employees, the community, and ultimately future generations.

2. Introduction to the Code of Ethics

2.1 Purpose

Cefla appreciates the importance of ethical and social values in work and business. As such, it is committed to the sound and responsible management of its business operations, to building a transparent and sincere relationship with social partners, and to the welfare of the community to which it belongs.

That commitment forms the basis of this Code of Ethics.

The Code of Ethics sets out:

- the general principles and values that Cefla wishes to uphold and pursue with its stakeholders;
- the specific rules of conduct that the Addressees of this Code of Ethics are expected to follow;
- the procedures for implementing and monitoring compliance with the Code of Ethics.

The values, principles, and rules of conduct set out in this Code of Ethics, as part of the corporate governance system, are a binding expression of Cefla's commitment to "responsible business," avoiding all merely opportunistic actions and ensuring constant dialogue and engagement with all our stakeholders.

In pursuing the company's mission, Cefla endeavours to promote the principles set out in this Code of Ethics through their acknowledgement and adoption by management, by its employees (both members and non-members), by its customers and suppliers, and by society at large.

Cefla is committed to ensuring that all its business activities are conducted lawfully, with honesty and integrity and in good faith, and in keeping with the legitimate interests of its employees, contractors, and business partners.

This document has been approved by the Board of Directors, and will be circulated to everyone concerned by it.

2.2 Scope of Application

This Code of Ethics applies to Cefla and to all companies belonging to the Group, and to all their activities. It is to be implemented at all levels of the organization, in all the countries where Cefla operates.

The Code of Ethics is intended as an addition to the company's regulations, procedures, and provisions, steering its Addressees in the performance of their tasks and duties. As such, it represents an essential part of quality of service in the employment relationship, for which non-compliance with the Code of Ethics may be punished with disciplinary action, in accordance with employment contracts in force.

2.3 Addressees

This Code of Ethics is addressed to (hereinafter "Addressees"):

- members of corporate boards (chairpersons, directors, and statutory auditors);

- employees and contractors, including therein consultants under contract, who are managed and supervised by the senior management functions that have engaged them, or to whom they are subordinated in practice;
- other partners engaged directly or indirectly by Cefla on an ongoing or temporary basis, who have dealings or carry on business with Cefla that contribute to the pursuit of the company's objectives.

Addressees are required to abide by the laws and regulations applicable in the various countries in which they are called to operate on behalf of Cefla, basing their conduct on the values, principles, and rules set out in this Code of Ethics.

Accordingly, Cefla undertakes to circulate the Code of Ethics to all persons concerned by it, to ensure its contents are properly interpreted, and to provide the means to promote its application.

Cefla has, in addition, set up the necessary measures to monitor and check the application of the Code of Ethics, for which sanctions are envisaged in the event of non-compliance.

To that end, the Supervisory Board is tasked, *inter alia*, with overseeing the application of the Code of Ethics.

3. Values and Principles

3.1 Preamble

Cefla embraces the greater values of civilization and democracy endorsed by the Italian Constitution, the European Constitution, and the Universal Declaration of Human Rights,¹ recognising dignity, freedom, equality, solidarity, and justice as the core values of civilized life.

In particular, Cefla fully identifies with Article 41 of the Italian Constitution, which states that private enterprise “*cannot be carried on in conflict with the common good or in such a way as to harm human safety, freedom, and dignity.*”

Cefla pursues its business activities on the basis of the principles set out in this Code of Ethics and reserves the right to decline or interrupt dealings of any kind with people or entities that show they do not endorse the contents and spirit of the Code and/or breach its principles and rules of conduct.

The company’s corporate boards and their members, its managers, employees, and contractors are all required to comply with this Code of Ethics.

3.2 Transparency and Completeness of Information and Disclosures

Cefla is committed to providing social partners with clear and transparent information about its financial standing and performance, without favouritism of any kind for any interest group or single individual.

Financial, accounting, and operational reporting, and all other disclosures, are required to meet the requirements of truthfulness, completeness, accuracy, and traceability.

Cefla attaches fundamental importance to fairness in reporting key management and accounting information to company members, corporate boards, and the competent functions.

Cefla similarly attaches fundamental importance to fairness in disclosures to third parties, for both the company itself and its customers. In this case, Cefla adopts best practices or may rely on independent parties to guarantee the impartiality and consistency of judgements.

Cefla condemns any conduct, on the part of any person or entity, aimed at altering the fairness and truthfulness of the data and information disclosed in its financial statements and reports, or in the social disclosures required by law.

It is the duty of all Addressees to act properly and transparently in performing their tasks and duties, especially in response to any request made by company members, by the Board of Statutory Auditors, or by public authorities carrying out checks and/or audits, offering a helpful attitude and maximum cooperation.

The intentional spread of false information concerning Cefla or its employees and contractors, both within the company and outside the company, is strictly prohibited.

¹ Adopted by the United Nations

In particular, Addressees that have access to confidential information or intelligence concerning companies belonging to the group, by virtue of the role they cover or through the performance of their duties, are required to:

- not disclose said information or intelligence to third parties, and not make use of it for purposes unrelated to their post;
- refrain from performing, either directly or indirectly, on their own behalf or on behalf of others, transactions in the financial instruments of the companies concerned on the basis of the information or intelligence learned.

3.3 Obedience to the Law

Strict obedience to all laws in force and to all regulations issued by competent supervisory authorities is a fundamental, mandatory principle for Cefla.

Cefla adopts internal procedures, organizational measures, and a system of checks designed to prevent and counter any act or conduct in conflict with the law and to promote an “internal audit mindset” among all the Addressees.

Cefla makes every effort within its power to fight corruption, terrorism, money-laundering, and all other forms of crime, with a view to pursuing its interests with propriety and in obedience to the law.

Cefla endeavours to adopt useful and appropriate measures to ensure that the duty of lawful and ethical conduct is taken up and put into practice by all Addressees of the Code of Ethics.

3.4 Fair Governance and the Proper Use of Funds

In pursuing its company mission, Cefla abides by the law and by its by-laws, ensuring the proper functioning of its governance bodies and the protection of the ownership and participatory rights of company members, as well as the integrity of the share capital and company assets.

The use of company funds is subject to transparency rules, with regular reporting to the competent internal and external oversight bodies.

3.5 Accounting and Tax Affairs

Cefla is committed to the complete, proper, and transparent accounting of its operations, in accordance with the rules and provisions of law and generally accepted accounting principles.

Accounts are required to be kept in full compliance with laws and regulations in force and with company procedures. Documentary evidence of accounting activities is to be retained in order to permit the ready recording and traceability of measurements, the identification of the various levels of accountability, and the accurate reconstruction of transactions, so as to minimize the risk of non-compliance and/or interpretive error.

In other words, each and every transaction must be properly recorded, authorized, legitimate, appropriate, and congruent.

All Cefla employees and contractors are required to act in a transparent manner in dealings with independent auditors and the Board of Statutory Auditors, and to cooperate fully with the audits and checks they carry out.

Similarly, it is forbidden to avoid or evade the requirements of tax compliance, such as by submitting fraudulent or untruthful tax statements, concealing or destroying accounting documents, or fraudulently avoiding the payment of taxes.

3.6 Dealings with Government Agencies

Cefla promotes appropriate conduct that will not lead government agencies to breach their principles of good administration, independence, and impartiality.

Cefla prohibits and condemns any conduct on the part of anyone acting in its name or on its behalf involving:

- the direct or indirect promise or offer of money or other benefits to public officials and/or representatives of the public service with a view to obtaining for Cefla an unlawful or undue advantage or interests;
- the obtaining of grants, funding, or other proceeds from government agencies by means of falsified or altered statements and/or documents, the omission of information, or more generally by means of fraud or trickery aimed at misleading the agency;
- the use of grants, subsidies or funding obtained from government agencies, no matter how modest their value, for purposes other than those for which such monies were granted.

People tasked by Cefla to carry on negotiations and/or dealings with government agencies must not conduct themselves, for any reason whatsoever, in such a way as to influence unlawfully the decisions of government agencies so as to obtain for Cefla an unlawful or undue advantage or interests, in order not to jeopardize in any way the integrity and reputation of either of the parties.

3.7 Protection and Empowerment of People

3.7.1 Preamble

Cefla attaches central importance to its workers and believes in the overriding value of respect for the integrity and dignity of every human being—a value it defends with firm determination. Accordingly, Cefla endorses and upholds the values expressed in the major conventions on human rights. It condemns any activity that in any way exploits the labour of people in conditions of destitution and/or powerlessness and works to combat any form of discrimination and/or action harming people.

In this regard, workers are intended here primarily as all the people who work for Cefla on a wage or salary basis, under a subordinate labour contract or other employment arrangements.

3.7.2 Child Labour

Child labour means any form of work carried out by a person under the age of fifteen years, and hence considered a child.

Cefla operates in many different countries and thus encounters diverse laws, habits, and customs. In any case, for the definition of “child” primary reference is made to the United Nations Convention on the Rights of the Child and the ILO Minimum Age Recommendation (No. 146).

Cefla does not in any way, either directly or indirectly, make use of child labour and does not work with entities that do so.

3.7.3 Forced or Compulsory Labour

Cefla does not endorse or make use of forced or compulsory labour, as defined by ILO Convention No. 29, including therein prison labour.

Cefla does not adopt coercive practices of any kind, such as, for example, the retention of identity documents or the demand for cash bonds.

Cefla checks the practices of all the organizations that provide it with labour to ensure they are not involved in human trafficking or the extraction of compulsory labour.

3.7.4 Occupational Health and Safety

A key ethical value of reference for Cefla is the respect for the physical and mental integrity of people.

Cefla adopts preventive measures to guarantee and protect the occupational health and safety of its workers, in accordance with labour contracts and applicable laws in force. Cefla systematically complies with all the statutory requirements of legislation in force governing occupational health and safety and strives to promote and consolidate a safety mindset in its workplaces, with the aim of developing greater awareness of risks and encouraging the adoption of more responsible behaviour by its employees and contractors.

More specifically, decisions of all kinds and at every level concerning occupational health and safety are steered and taken on the basis of the following principles and criteria:

- the elimination of risks or, where that is not possible, the minimization of risks, according to the state of the art of technological progress;
- an assessment of all the risks that cannot be eliminated;
- combating risks at source;
- conformity with the principles of ergonomics and a healthy workplace when organizing work, when designing work stations and choosing equipment, and when outlining work and production methods, in particular with a view to minimizing the effects of monotonous work and repetitive work on workers' health;
- the replacement of what is hazardous with what is not hazardous or less hazardous;
- the planning of appropriate measures to guarantee improvement in safety levels over time, including the adoption of codes of conduct and best practices;
- the prioritization of collective protection measures with respect to individual protection measures;
- the provision of proper work instructions.

In addition, Cefla works to inform, encourage, and raise safety awareness in all its employees, to help prevent carelessness or negligence from undermining the organizational efforts put into place.

All employees and contractors are required to strictly follow the occupational health and safety instructions provided to them.

Cefla adopts procedures to ensure that systematic checks are conducted on compliance with health and safety requirements and systematically monitors the proper adoption of the measures in place.

3.7.5 Freedom of Association and the Right to Collective Bargaining

Cefla acknowledges and respects the role of trade unions and their full entitlement to carry on their activities in representing workers.

Cefla promotes the spread of a fair system of industrial relations, in which the active participation of workers and trade unions in the development of the company is strongly encouraged.

All employees are engaged under regular employment contracts, and no form of illegal labour or undeclared working arrangements is permitted.

Cefla values its people, and in the event of a reorganization of the company and/or production, jobs are safeguarded through training and/or reskilling initiatives, where necessary.

3.7.6 Discrimination

Cefla does not adopt nor facilitate in any way discriminatory practices in any aspect of the employment process, be it in hiring and pay policy, access to training, promotion, dismissal, or retirement.

No discrimination is tolerated on the basis of ethnicity, social class, national origin, disability, sex, sexual orientation, trade-union membership or political beliefs.

Cefla does not permit, in its workplaces or in situations concerning the company, behaviour that is threatening, abusive, or sexually coercive, including therein gestures, language, and physical contact.

3.7.7 Disciplinary Practices

Cefla treats all its employees with dignity and respect.

It does not practice nor tolerate corporal punishment, physical or mental coercion or verbal abuse against its employees.

Harsh or inhumane treatment is not permitted.

3.7.8 Working Hours

With regard to working hours, rest days, and festivities, Cefla complies with labour law, meaning the set of laws and regulations that govern employment arrangements and protect the fundamental rights of workers.

Overtime work is arranged on a voluntary basis and is formally proposed to workers only when strictly necessary.

3.7.9 Pay Policy

Cefla duly pays its employees and contractors wages and salaries on the basis of the applicable collective bargaining agreements and enterprise-level agreements negotiated with trade unions.

3.7.10 Recruitment and Careers

The decision to hire a new worker or engage a contractor is to be made on the basis of the candidate's profile and the match between their specific skills and the needs of the company, guaranteeing equal opportunity for all candidates.

Only information strictly required to check the professional, personality, and aptitude requirements for the job may be asked of candidates, respecting their privacy and socio-political beliefs.

Once the new hire enters service, full information is to be provided on the role and responsibilities of the job profile, legal and pay conditions, and the rules and procedures for managing personal health and safety risks.

All decisions made in relation to the management and development of human resources are to be based on considerations of merit and/or the extent to which the profiles of people match expected profiles. The same is true for the assignment of new roles or duties.

General budget targets and individual budget objectives for employees and contractors must be objectively feasible, in terms of the time and means available for their delivery.

Cefla promotes the professional growth of its people through training and the sharing of knowledge, believing that individual and collective contributions to work processes are indispensable for the growth and empowerment of people.

In the management of hierarchical relations, authority is to be exercised with fairness and propriety, without any abuse of power.

For roles of authority, any demand, presented as an obligation to the superior officer, for services, personal favours, or any act that constitutes an infringement of the Code of Ethics is considered an abuse of power.

3.8 Sustainable Development and the Environment

Cefla places great value on caring for the environment and the local area, believing that only balanced and sustainable development can guarantee welfare and prosperity for future generations.

Accordingly, Cefla is committed to applying the highest standards of environmental protection, while also pursuing continuous improvement in its own environmental performance, through the adoption of the best technologies available.

More specifically, in carrying on its business, Cefla endeavours to:

- adopt measures designed to limit, or where possible eliminate, the adverse impact of its business activities on the environment—not only where the risk of harmful or hazardous events is demonstrated, but also where it is uncertain if, and to what extent, its business activities may represent a risk for the environment;

- prioritize the adoption of measures designed to prevent any possible harm to the environment, rather than remedy damage once it has occurred;
- closely monitor, on a constant basis, scientific progress and regulatory developments in the environmental field;
- promote the value of training and the take up of the principles of the Code of Ethics among everybody in company, from senior management to first-line workers, to ensure they abide by the ethical principles adopted, especially when decisions are to be made and, later, when they are implemented.

Everybody at Cefla is thus aware of how the commitment to environmental stewardship is fully integrated into the company's culture and operations and its importance in improving the use of natural resources and the sustainability of business.

3.9 Protection of the Company's Image

Cefla's reputation is an intangible asset of absolute value, enabling relationships to be built on trust with all our partners.

That reputation is underpinned by the image that Cefla has built for itself over the years and is by its nature fragile.

The company's image depends on many different factors. The key factor is given by the ethical conduct of Cefla's people in every aspect of company life, especially in external dealings.

Cefla trusts that all the Addressees will represent the company with professionalism, honesty, conscientiousness, and propriety and work to protect its image.

3.10 Fair Competition and Fair Advertising

Cefla promotes a climate of fair competition in all the markets in which it operates. In dealings with customers, suppliers, and competitors, it acts in accordance with antitrust regulations, refraining from any form of collusion, predatory practices or the abuse of a dominant position.

Cefla's advertising messages are designed to be transparent, fair, and truthful in their claims so as not to mislead the people they target or injure any competitor.

Cefla, through the people that act on its behalf, does not offer or accept cash or gifts, in any form whatsoever, to promote or facilitate business deals to its advantage in violation of law, regulations in force or free market competition.

3.11 Protection and Confidentiality of Information and Personal Data

In accordance with legislation in force, all personal data concerning customers, employees, contractors, and suppliers are to be processed with the utmost respect for the dignity of the data subject and his or her right to privacy and the protection of personal data.

Cefla undertakes to process such data lawfully and fairly and to collect only the data required and not excessive to the purposes for which they are collected. Any investigation of the preferences, ideas or, in general, the private life of employees and contractors is expressly excluded.

Cefla has analysed the possible risks associated with the processing of data and has adopted suitable organizational and technical measures for its computer systems and print and electronic archives to minimize the chances of harmful events.

Cefla is committed to keeping those systems constantly up to date, on the basis of statutory and technological developments, and has tasked specific internal and external contractors with the monitoring of such developments.

3.12 Transparency in Dealings with Competent Control and Supervisory Authorities

Cefla endeavours to provide exhaustive, transparent, clear, and timely disclosures to control and supervisory authorities. Such disclosures may only be made by corporate officers and the company function responsible for such disclosures.

The transparency of disclosures is ensured through compliance with regulations in force and the relative internal procedures adopted.

3.13 The Role of Members

Cefla's members are its fundamental assets.

Cefla encourages the involvement and participation of its members in the decisions they are called on to make. It ensures the parity, transparency, clarity, and integrity of information on the company's standing and performance, as well as the right to access such information.

3.14 The Relationship with Local Communities

Cefla, through its business activities, promotes the quality of life, welfare, and socio-economic development of the communities where it operates. Conscious of its social responsibility, Cefla is committed to ensuring the environmental sustainability of every investment it makes, with a view to improving its reputation and social acceptance.

3.15 Associations and Political Parties

Cefla's actions are governed solely by the principles set out in its by-laws and regulations, in a climate of respect for all opinions.

Cefla only makes donations to associations and political parties and/or their media organs, committees, movements, organizations or political candidates within the limits permitted by its by-laws and laws in force.

Cefla may carry on normal business or legal dealings with such entities only in accordance with laws and regulations in force and this Code of Ethics.

3.16 Conflicts of Interest

The Addressees of the Code of Ethics are required to refrain from performing actions in which they directly or indirectly hold interests that potentially conflict with those of Cefla or the Group in general, such as, for example, personal or family interests of a financial or business nature in customers, suppliers, or competitors.

Conflicts of interest arise when a director, manager, employee or contractor pursues, or attempts to pursue, on their own account or on account of others, an objective that does not coincide with the company's objective, or when they voluntarily draw advantage, or attempt to draw advantage, for themselves or for others, from dealings conducted in the interests of Cefla.

Accordingly, all forms of corruption, illegitimate favours, collusive practices, and express requests, whether direct and/or through others, for personal or career advantages for oneself or for others, and all other similar conduct is strictly forbidden.

Cefla acknowledges and respects the right of its employees and contractors to pursue investments, business or other types of activities outside the scope of the service they provide in the interests of Cefla, providing that such activities are permitted by law, contractual rules, and the by-laws and are compatible with their obligations as members, employees or contractors of the company.

Any situation that may constitute or give rise to an actual or potential conflict of interest must be notified promptly to the Supervisory Board and the line manager, for appropriate measures to be taken.

In particular, all members, employees, and contractors of Cefla are required to avoid conflicts of interests between their personal or family financial dealings and the duties they cover within the organization.

By way of example, situations that give rise to conflicts of interests include, but are not limited to:

- nomination to an executive management position (chief executive officer, director or function manager) or material economic or financial interests in suppliers, customers, competitors or business partners of Cefla or the Group, personally or through a family member;
- the use of one's position in Cefla or the Group, or of information learned through one's work, in such a way as to create a conflict between one's personal interests and the interests of Cefla;
- the provision of work service of any kind to customers, suppliers or competitors;
- the offer or acceptance of cash, favours or benefits to/from people or companies that do, or intend to do, business with Cefla.

3.17 Gifts and Gratuities

It is prohibited to give, offer or receive gratuities of any kind or material benefits within the scope of one's work to/from public-sector or private-sector workers with a view to influencing or rewarding their offices. Particular care must be taken in dealings with the employees of government agencies.

Business courtesies, such as gifts or hospitality, are only permitted if their value is modest or such as not to jeopardize the integrity and reputation of either of the parties.

In any case, the convenience of such gifts should always be duly assessed and authorized by the competent company function, with the relative expenses duly documented.

Customers and suppliers of Cefla are asked to refrain from offering gifts that could induce the Addressees of the Code of Ethics to act in conflict with the interests, including the moral interests, of Cefla.

3.18 Use of IT Tools

Cefla prohibits any practice or action that may breach the confidentiality of its computer systems or those of others, whether public or private, or which may damage them in any way, or which is aimed at falsifying a public or private document of legal value.

Cefla expects full compliance with legislation in force governing the processing of personal data and the implementation of company regulations concerning the use of information technology tools owned by the company.

3.19 Relations with Mass Media and Social Media Management

Dealings with mass media organs are exclusively reserved to the functions tasked with their management.

Cefla endeavours to disclose clear, truthful, and transparent information, while protecting its confidential information and trade secrets.

Members, employees, and contractors may not disclose or promise to disclose information outside the company, without the prior authorization of the competent company functions.

Members, employees, and collaborators may not offer, in any way or form, payments, gifts, or other benefits aimed at influencing the professional independence of mass media organs, or which may reasonably be construed in such a way.

As social media networks have become so widespread as a means of communication, they are undeniably important for the image and reputation of the company. As such, Cefla has adopted a specific regulation setting out the rules for employees to follow when using and managing both company and private social media accounts.

4. Rules of Conduct

4.1 General Rules

All people internal and external to the organization are to use their best endeavours to loyally fulfil the obligations binding on them under their employment contracts and this Code of Ethics. The services asked of them and the duties they undertake are to be performed even when they learn of conduct on the part of others that does not comply with the provisions of this document.

Cefla encourages the Addressees of the Code of Ethics to act responsibly, focused on the pursuit of the company's objectives and in keeping with the values and principles set out herein.

Every undertaking and/or transaction must be legitimate, documented, recorded, and verifiable at any time.

In business practices, it is the duty of all Cefla employees and external contractors to refrain from offering or promising cash or any other benefit to potential customers or other company partners with a view to persuading them to choose Cefla as a supplier.

The foregoing similarly applies when acting vicariously through third parties.

4.2 Corporate Boards

The authority, professionalism, diligence, and independence of judgement of the Chairman, the Deputy Chairman, the Directors, and the Statutory Auditors of Cefla guarantee the accomplishment of the company's mission and objectives and the protection of the interests of its social partners.

The Board of Directors promotes a mindset of legality and oversees the full compliance of company activities with law, regulations, and company procedures. It similarly promotes the importance of internal auditing and ensures that those tasked with auditing are fully independent and autonomous in their work.

Executive directors are to exercise their functions in accordance with the tasks and limits of their remit, as delegated to them by the Board of Directors, to which they then report.

It is prohibited for Cefla's Directors to act in any way that may jeopardize the company's capital and assets.

Directors must also refrain from any corporate transaction liable to damage the interests of creditors.

With regard to conflicts of interest, the directors are to carry on their activities in accordance with the provisions of law and the relative internal guidelines, with any situations of conflict managed with full transparency and in such a way as to protect the interests of Cefla.

Any other conduct in breach of legislation governing corporate crime is strictly forbidden.

4.3 Employees

4.3.1 Commitment and Sense of Responsibility

Cefla's employees are expected to perform their tasks and duties with commitment, sense of responsibility, loyalty, propriety, and decorum, in accordance with legal and contractual obligations and company guidelines.

Cefla trusts that people tasked with coordination duties show courtesy and respect towards their staff and promote their professional growth.

4.3.2 Contractual and Statutory Obligations

Every employee is required to know and fulfil the obligations relating to compliance with the provisions of:

- the applicable national collective bargaining agreement;
- the enterprise-level addendum agreement;
- company regulations;
- the set of company procedures connected with management systems and corporate compliance programmes in place.

With regard to the latter two points, both managers and workers, each as concerns them, are required to:

- enforce/comply with instructions for performing activities, in accordance with formalized company procedures;
- report any changes that arise in order to ensure documentation is always up to date;
- assess and promote improvement suggestions from their staff;
- manage corrective actions tasked to them;
- oversee the preparation/prepare reports and the measurement/measure the indicators concerning them;
- manage the projects tasked to them.

4.3.3 Safekeeping of Company Facilities, Assets, and Equipment

Employees are accountable for the safekeeping and protection of the facilities (including the staff restaurant, lavatories, operating spaces, and offices) and the assets and equipment (including machinery, computers, telephones, and motor vehicles) that Cefla provides for the proper performance of work activities. Any improper use of such facilities, assets, and equipment for non-work purposes is prohibited.

With regard to assets owned by Cefla, all employees and contractors are specifically required to:

- avoid all improper use that may give rise to undue costs or damages, reduce the efficiency of the assets, or in that in any way conflicts with the interests of Cefla;
- strictly follow the rules and instructions set out in internal procedures and regulations, so as not to compromise the functionality, protection, and security of the information technology systems, equipment, and facilities of Cefla;

- always work in accordance with the occupational health and safety rules provided by law and internal procedures, in order to prevent any possible damage to things, people or the environment;
- make use of assets, regardless of their type or value, in accordance with law and internal regulations;
- make use of such assets exclusively for work purposes;
- avoid, unless otherwise expressly authorized, letting others use or lending assets to third parties, even on a temporary basis;
- take appropriate steps to minimize the risk of theft, damage, tampering, or other threats to assets and promptly inform the functions in charge of any unusual situations.

4.3.4 Rules of Conduct for Function Managers

Managers are responsible for performing and overseeing the performance, in an effective and efficient manner, of the activities under their charge, in order to deliver the objectives set by the company.

Managers are expected to act fairly and with decorum, showing respect for their superiors, their colleagues, and their staff.

Managers are required to disclose, following the usual practices, all the information they learn through the performance of their tasks and duties, concerning products, services associated with products, production and other technologies, materials, customers, competitors, and markets.

Specifically, managers are required to:

- cooperate in identifying staffing profiles;
- participate in recruitment processes;
- inform and train/cooperate in the training of new hires, providing them with all the necessary information for their jobs (for example, in terms of company rules, the use of company facilities, equipment, and assets, work methods, environmental, health, and safety rules, etc.);
- notify management and the entities concerned in advance of all the reasons hindering the performance of a task delegated to their department or entity;
- provide cooperation and support to all the company entities connected to them;
- set and pursue budget targets for the cost items under their responsibility (human, financial, and technical resources), with a view to improving the efficiency and effectiveness of their area of responsibility.

With regard to their internal and external staff, managers are required to:

- check their compliance with contractual, statutory, and conduct rules;
- verify and report to management any non-compliance found (for example, in relation to company rules, the use of company facilities, equipment, and assets, work methods, environmental, health, and safety rules, etc.);
- organize the staff and resources under their charge;
- ensure the optimal use of the staff and resources assigned to them (workers, assets, equipment, funding, etc.) and the proper end-of-life management of equipment, according to the specific rules for each kind of device;
- check that company facilities (staff restaurant, lavatories, lighting, etc.), equipment, and assets (computers, mobile phones, machinery, motor vehicles, etc.) are used properly;

- endeavour to create the best conditions possible within the area under their responsibility, in terms of climate and motivation;
- notify management of their own training needs and those of their staff;
- guarantee the continuity and proper performance of the activities carried on within their area of responsibility, including when staff are absent;
- promote flexibility and the interchangeability of staff, with a view to avoiding dependency on individual workers within their area of responsibility;
- follow and enforce all instructions provided by the company, in accordance with laws in force, concerning occupational health and safety and waste management.

4.3.5 Rules of Conduct for Employees

Employees are required to:

- perform the activities tasked to them in an effective and efficient manner;
- follow the instructions of their managers;
- show respect and propriety towards their managers and colleagues;
- cooperate in updating the company's know-how, as concerns them;
- report any information they may learn through the performance of their tasks and duties concerning irregularities or non-compliance in work to their managers, following the usual practices;
- strictly comply with company guidelines concerning occupational health and safety and environmental management;
- duly uphold the confidentiality of personal data, trade secrets, and generally all the information they deal with.

4.3.6 Duty of Confidentiality

Employees tasked with data processing activities are required to follow the relevant company instructions to ensure the protection and safe-keeping of personal data.

Everybody is required to strictly uphold the confidentiality of the data and information they learn through the performance of their tasks and duties, in particular as regards trade secrets and generally all information on the technical/patented solutions adopted by Cefla.

4.3.7 Duty of Fair Representation

Each company function is accountable for the truthfulness and originality of the documentation and information provided through the performance of the activities under its responsibility.

4.3.8 Conflicts of Interest

All employees are required to comply with company regulations concerning conflicts of interest and to inform their line manager of any direct or indirect interests they may have in a transaction that potentially conflict with the interests of the company.

4.4 Contractors

Cefla values the contribution that contractors and consultants make to its daily work. Its importance is such that they are asked to show honesty, diligence, and conscientiousness in their work and to follow the instructions they are given in relation to their tasks.

Cefla treats its contractors on an equal basis and with mutual respect.

Contractors should avoid drawing personal advantage from the contractual relationship and act solely in the interests of Cefla. They are required to ensure the safekeeping and protection of assets belonging to Cefla and the personal data they access for the tasks and duties assigned to them, complying with the same regulations governing employees, as per the previous section.

Cefla requires its external contractors to comply with the ethical principles set out herein, holding such compliance to be fundamental for the establishment or continuation of business dealings.

4.5 Suppliers

Cefla requires its suppliers to comply with the ethical principles set out herein, holding such compliance to be fundamental for the establishment or continuation of business dealings.

All suppliers, business partners, and external contractors are to be informed of the existence of this Code of Ethics and of the obligations binding on them under the Code.

Procurement processes for the purchase of goods and services are steered by the search for competitive advantage, by the principles of equal opportunity for all the entities involved, fairness, and impartiality.

Supplier screening and the setting of purchase terms and conditions are based on the following criteria:

- an objective assessment of quality and the ability to guarantee a suitable standard of goods, services, and performance;
- possession, as suitably documented, of the financial and other means, organization, technical know-how, capacity, and staff to fulfil the purpose of the supply contract;
- the professionalism of the potential partner.

In managing works and procurement contracts, and generally the supply of goods and services, Cefla members, employees, and contractors are required to:

- adopt, when screening suppliers, objective and transparent assessment and selection criteria;
- not preclude any eligible bidders that satisfy the necessary requirements from competing for the contract;
- abide by the contractual terms and conditions provided;
- uphold an open and frank dialogue with suppliers, in accordance with good business practices.

The negotiation of contracts with suppliers and the management of dealings with them should always be based on mutual transparency and fairness.

4.6 Customers

Cefla requires its customers to comply with the ethical principles set out herein, holding such compliance to be fundamental for the establishment or continuation of business dealings.

Although Cefla does not preclude dealings with any single customer or group of customers, it does not entertain relations, either directly or indirectly, with persons or entities that are known or suspected to belong to criminal or otherwise unlawful organizations, including, but not limited to, people or entities connected with money laundering, drug trafficking or usury.

In addition, Cefla actively promotes the take up by customers of the values set out in this Code of Ethics through specific contractual clauses.

5. Compliance with the Code

5.1 Dissemination and Compliance with the Rules of the Code of Ethics

Cefla is committed to disseminating the Code of Ethics among all the Addressees.

Accordingly, Cefla arranges specific training programmes/information campaigns for employees, organized on the basis of the different needs and responsibilities of the various target groups, and promotes the value of training and the take up of the principles of the Code of Ethics.

All the Addressees of this Code of Ethics are required to be acquainted with the rules set out herein and the regulatory framework governing the tasks and duties they perform within their function, made up of the law and/or the internal procedures, guidelines, and regulations of Cefla.

All the Addressees must expressly acknowledge and accept the obligations binding on them under the Code of Ethics. Specifically, Addressees have an obligation to:

- refrain from conduct that conflicts with the rules set out in the Code of Ethics;
- ask their superiors or the Supervisory Board, as per section 5.2, if they need clarifications on how to apply said rules;
- promptly report any information they have learned directly or through others concerning a possible infringement of the Code of Ethics, or any request they have received in breach of the Code, to their superiors or to the Supervisory Board, as per section 5.2;
- cooperate with the delegated units in investigating possible infringements;
- suitably inform all third parties they come in contact with through the performance of their work about the existence of the Code of Ethics and the duties and obligations binding on external entities under the Code;
- demand compliance with the obligations that directly concern their activities;
- take appropriate steps within the organization and outside the organization, if it falls under their responsibility, in the event of non-compliance by third parties with the rules of the Code of Ethics.

5.2 Supervisory Board

The Supervisory Board is responsible for the corporate compliance programme in place for the prevention of corporate crime and the resulting administrative liability attributed to legal entities. In relation to the Code of Ethics, the Supervisory Board is tasked with:

- monitoring the implementation of the Code of Ethics by the entities concerned by it through the application of specific organizational rules, and taking up any reports made by internal and external social partners;
- reporting the findings of its oversight activities on a periodic basis to the Board of Directors and notifying any material infringements found of the Code of Ethics;
- expressing its opinion on revisions to key policies and procedures, in order to ensure they are consistent with the Code of Ethics;

- submitting proposals for amendments to the Code of Ethics;
- examining and assessing any internal or external reports of non-compliance.

5.3 Breaches and Sanctions

Compliance with the Code of Ethics is incorporated into the contractual obligations of all Addressees.

Any breaches committed by the Directors, Managers, Employees or Contractors of Cefla will be subject to disciplinary action, as contemplated by the applicable national collective bargaining agreements.

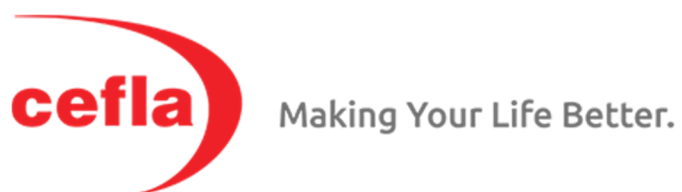
Conduct that conflicts with the Code of Ethics will be sanctioned, with respect for the right of defence and considering the gravity of the conduct, in accordance with the provisions of law and contractual terms and conditions.

Breaches of the Code of Ethics committed by employees will be sanctioned with disciplinary action, in accordance with contractual terms and conditions and applicable laws in force, and, where applicable, the specific provisions of the corporate compliance programme adopted in accordance with Italian Legislative Decree 231 of 8 June 2001.

Breaches of the Code of Ethics committed contractors may constitute just cause for the termination of the contractual relationship, if the breach is such as to undermine trust in the contractor or if it represents an objectionable breach of the duty of fairness and good faith in the performance of the contract.

6. Amendments and Additions

This Code of Ethics may be amended, expanded and updated with the approval of the Board of Directors, on the basis of experience with its application or at the proposal of the Supervisory Board.



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