



# CODE OF ETHICS

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## **PART I – INTRODUCTION AND OBJECTIVES**

With this Code of Ethics (hereinafter simply referred to as “Code”), the company Losma S.p.a. (hereinafter simply referred to as “Losma” or “the company”) intends to formally define all the values that it recognises, accepts and shares, as well as, its rights, duties and responsibilities with respect to all parties with whom it operates in achieving its own business interests.

The Code has been prepared in order to lay out the principles underpinning the behaviour of all Recipients, whose compliance is considered to be a determining factor in the success of Losma and in advancing its assets.

The Code therefore identifies the essential values, reference standards and rules of conduct. It also sets out the principles upon which the behaviour of those who work within and/or under the Losma name in relations with customers, whether current or potential, colleagues, associates, suppliers and Public Authorities should be based.

### **ART. 1 – RECIPIENTS**

The Code’s principles and provisions are compulsory for all of Losma’s company representatives (managers and employees) and external associates (consultants, contractors, customers, suppliers etc.)

The company adopts and disseminates this Code, which is addressed to all those who hold relations with Losma and shall be required to conduct themselves in line with the principles contained in the Code.

Losma is committed to not initiating or continuing any type of relation with those who do not intend to align themselves with the principles of this Code.

### **ART. 2 - GENERAL PRINCIPLES**

Losma’s conduct, at all levels of the company, is based upon the principles of loyalty, transparency, honesty and good faith with respect to its customers, personnel, external associates, commercial and financial partners, as well as with respect to Public Administrations and the other parties and Entities with which it comes into contact when carrying out its business.

Losma’s management, staff and all external associates who are Recipients of this Code, are required to follow the principles, contained within and to observe the national laws, regulations and provisions.

In addition to the rules found within, the Code is also based upon respect for others, fair play, cohesion, individual and group accountability, meeting commitments, personal and professional growth and thus, it strongly contributes to the construction of the company image, the business culture and the working climate.

Respect for the ethical rules and transparency when conducting business is absolutely necessary, as well as being competitive advantage for pursuing and reaching Loma's objectives, consisting of creating and maximising the company's value, for those who work for the company, the customers and the community as a whole.

### ART. 3 – CONFIDENTIALITY AND PROTECTION OF PRIVACY

The Recipients must ensure the confidentiality of information acquired during their work in respect of the rules in force. The use of this information is limited to the purposes defined by their role.

For this purpose, Losma takes all appropriate steps to protect the security of information and of relative documents.

The possible dissemination of internal documents can only be carried out according to the criteria and limitations established in this document. Communications and information directed to the public, however, in whichever way they are carried out, must be reserved for the administrative body. These must be based on the principles of clarity, completeness and truthfulness.

### ART. 4 – PROTECTION OF INTELLECTUAL AND INDUSTRIAL PROPERTY

The company adopts appropriate measures and initiatives in order to protect its own intellectual property and to not violate that of others. In particular the company undertakes to:

- Exclusively use creative concepts and processes that it is entitled to use, by virtue of property and/or compensation stipulated with third parties through contractual documents.
- Use brands which are at the company's disposal under legal entitlement.

Furthermore, in its relations with suppliers, the company requires, where possible, for them to guarantee that the goods and their intended use do not violate the rights of third parties concerning industrial property (trademarks and patents).

In such relations, the company adopts appropriate indemnity measures for any claim, legal action and requests for compensation made by third parties due to acts of infringement of patents, trademarks or trade names.

In no case is the marketing of industrial products with counterfeit or altered trademarks, patents or other distinguishing elements permitted, nor is deceit of the buyer as concerns the product's origin, source or quality.

ART. 5 – USE OF COMPUTER SYSTEMS

The company uses IT resources which are exclusively assigned for the performance of company activities, in full respect of the regulations on use and management of computer systems and the determined company procedures.

In no is it permitted to use IT resources and networks for uses contradicting the rules of law, public policies or common decency or in any case aimed at racial intolerance, inciting violence or violation of human rights, or committing or eliciting offences, damaging or altering IT systems or public/private third party information or illegally obtaining classified information.

Furthermore, no Recipient is permitted to install unlicensed software on the company computers or to use and/or copy copyright-protected documents and materials (audio-visual, paper or photographic creations or recordings) without the owner's authorisation and except in cases in which the activity is part of the normal course of the functions entrusted to the company.

Illegal **downloads** or transmitting content protected by copyright law to third parties is explicitly prohibited.

## **PART II – EXTERNAL RELATIONS**

### **ART. 1 - CUSTOMER RELATIONS**

The company aims to guarantee the full satisfaction of the needs of both its customers and its assets also with a view to create a solid relationship based upon values of correctness, loyalty, efficiency and professionalism, ensuring relationships based upon respect of the law, with particular reference to laws regarding money laundering and usury.

### **ART. 2 – SUPPLIERS AND EXTERNAL ASSOCIATES**

Relations with third parties (customers, suppliers, external associates, commercial partners) must be based upon loyalty and correctness. It is prohibited to receive or make donations, favours or benefits of any kind, except for gifts or acts of commercial courtesy of modest economic value, provided that they are not aimed at obtaining an undue advantage.

The choice of suppliers is carried out according to the criteria of convenience, efficiency and affordability for Losma and the agreements are conducted so as to create a solid base for mutually-beneficial long-lasting relations.

### **ART. 3 – RELATIONS WITH PUBLIC INSTITUTIONS**

Relations with Institutions and Public Administrations, Entities, Associations, political and trade union organisations are based upon the principles of correctness, impartiality and independence and are held by the Chairman of Losma.

In particular, individuals that, in conducting their work, engage in any sort of relation with the Public Administration, as well as external associates, partners and every other kind of external party must operate truthfully and correctly.

In every case, it is prohibited to receive and or unduly offer or promote benefits donations, or any kind of avail, whether direct or indirect, to public officials and/or employees or those tasked to perform public functions.

In the case of commercial relations held with the Public Administration, including participation in public tenders, it is essential to operate within the law and in respect of correct business practice.

#### ART. 4 – RELATIONS WITH JUDICIAL AUTHORITIES

In relation to any kind of possible request from the Judicial Authority, and generally in any contact with the same, the company undertakes to provide maximum collaboration to make truthful statements that are representative of the facts, refraining from behaviours that may cause hindrance, with absolute respect of the law and conforming to the principles of correctness, loyalty and transparency.

Furthermore, all Recipients involved in legal proceedings must provide an effective collaboration and make truthful, transparent statements that are representative of the facts.

It is explicitly prohibited to:

- Act in any way which may favour or damage any of the parties in question in the course of the proceedings.
- Influence, in any shape or form, the will of the subjects called to respond to the Judicial Authority in order to ensure that statements and declarations of facts are truthful
- Promise or offer money, gifts or other types of benefits to subjects involved in legal proceedings or those close to them.

#### ART. 5 – CONFLICT OF INTERESTS

In carrying out its activities, Losma works to avoid encountering conflicts of interests, whether real or only potential.

Any employees who find themselves in a situation of conflict of interests, even only potential, must immediately report it to their superior who shall decide upon the action to be taken.

## **PART III – INTERNAL RELATIONS**

### **ART. 1 – EMPLOYEES AND ASSOCIATES**

Losma offers equal opportunities in career development, not allowing arbitrary discrimination guaranteeing everyone the same career possibilities and basing all relations on the principles of fairness, correctness and loyalty with an appropriate merit-based policy for the needs of the company.

Relations among employees, regardless of their level of responsibility, are carried out with loyalty, correctness and respect, without prejudice of the roles and various functions within the company. Every manager uses the power related to their position within the company with objectiveness and fairness, promoting the career development of their staff and improvement of working conditions. Every employee works in a cooperative manner, carrying out their tasks responsibly, efficiently and with diligence.

### **ART. 2 – STAFF TRAINING AND DEVELOPMENT**

Staff training is an essential tool for the continuous development of the knowledge and ability of the company's human resources.

The training is carried out with maximum care to meet not only the company's needs but also to satisfy the expectations and requests in terms of individual and professional development of the staff.

Each member of staff takes part in the training process guaranteeing dedication, professionalism, and team spirit.

### **ART. 3 – HEALTH AND SAFETY**

Losma guarantees a working environment that complies with the existing health, safety and hygiene rules for the workplace according to the current legislation, through monitoring, management and prevention of risks at work.

### **ART. 4 – ENVIRONMENTAL PROTECTION**

The Recipients, when carrying out their tasks, must work in line with the current legislation on safeguarding and protecting the environment and, moreover, work with a focus on the correct use of resources and respect for the environment.

## **PART IV – IMPLEMENTATION PROCEDURE**

### ART. 1 – APPLICATION AND DISSEMINATION

Losma undertakes to disseminate this Code to all Recipients. For this purpose, the director and/or each Recipient must sign a specific declaration to confirm that they have read and understood the document.

Each external associate, customer and supplier will also need to sign the declaration. On top of the confirmation of having read and understood the declaration, it also contains the commitment to align themselves with the regulations stipulated.

The present version of the Code of Ethics has been in place since 02/12/2011.

### ART. 2 – DISCIPLINARY SYSTEM

Breach of this Code damages the relationship of trust established with the company and may cause the activation of legal processes and the adoption of measures, against the Recipients, in accordance with the legal requirements and with the contractual framework.

Every Recipient must promptly inform their direct manager of the onset of dynamics which could interfere with the correct management of work activities.

Reports of breach must contain sufficient information so as to identify the extent of this breach in order to enable the performance of an appropriate analysis.

Investigation of infringements, the disciplinary procedures and the imposition of sanctions will be carried out in accordance with the provisions of Italian Law no. 300 of 20<sup>th</sup> May 1970, the CCNL (National Collective Labour Contract), the Losma Bylaws and the internal provisions.

As regards external associates, each breach constitutes a source of contractual liability and as such will be sanctioned according to the provisions of the reference standard.