

CODE
OF ETHICS

2022

ALFAPARF
MILANO



TABLE OF CONTENTS

Glossary	3
Code of Ethics	4
Introduction	4
Article 1. Recipients	5
Article 2. Company values	6
2.1 Sustainability	7
Article 3. Standards of conduct	7
3.1 General Criteria	7
3.2 Conflicts of Interest	8
Article 4. Relationships with customers and consumers	9
Article 5. Relationships with suppliers	10
Article 6. Human resource management	10
Article 7. Relationships with collaborators	12
Article 8. Relationships with the Public Administration	12
8.1 General Principles	12
8.2 Obligations and prohibitions in relationships with the Public Administration (Italy/Foreign)	12
Article 9. Relationships with third party organisations	14
Article 10. Relationships with the authorities	14
Article 11. Relationships with the media	14
Article 12. "Non-profit" initiatives	14
Article 13. Prevention of behaviours at risk of crime	15
13.1 Counterfeiting of banknotes, coins, public credit cards and others	15
13.2 Receiving and laundering	15
13.3 Accounting records and deeds and corporate offences	15
Article 14. Health and safety protection	16
14.1 General principles	16
14.2 Smoking	17
14.3 Alcohol and drug abuse	17
14.4 Other prohibitions	17
Article 15. Safeguarding of company assets and heritage	17
Article 16. Use of IT systems	18
Article 17. Protection of company information	18
Article 18. Environmental protection	19
Article 19. Competition	20
Article 20. Sanctions and control	20
20.1 Sanctions	20
20.2 Internal control	21
20.3 Reporting violations	21
Article 21. Code of Ethics: effectiveness, update and amendments	21

GLOSSARY

NCLA	National Collective Labour Agreement applicable to the Company.
Code of Ethics	Code of Ethics adopted by the Company.
Collaborators	Those who act in the name and/or on behalf of the Company based upon a specific mandate, other contractual link or power of attorney and who perform, directly or indirectly, activities connected to or involved in the company activity (e.g. consultants, external professionals).
Recipients	All recipients of this Code and in particular Directors, Employees, Collaborators and Stakeholders.
Employees	All subordinate workers of the Company (including managers) and similar (e.g. temporary work)
Function/Area	Organisational Structure of the Company.
Group	Group of Companies of which the Company forms part, including Companies controlled directly and indirectly or subject to common control.
Stakeholders	All contractual counterparties of the Company, excluding Collaborators, who are, indifferently, individuals or legal entities, such as Suppliers, Customers and in general all entities to or from which the Company provides or receives any service, as well as commercial or operational Partners of the Company which play a role in projects and operations even at Group level.
Corporate Bodies	The Board of Directors and Board of Auditors of the Company.
Supervisory Body (or Body or SB)	The Body appointed
Public Administration (P.A.)	Any Public Administration, including the respective representatives in their capacity as Public Officials or Public Service Officers, even de facto; members of the Bodies of the European Communities and Officers of the European Communities and Foreign States.
Crimes/Crime	The relevant crimes
Company	Beauty&Business S.p.A. (even just "BB"), with registered office in Milan Via Cesare Cantù no. 1
Persons in senior positions	Persons who cover roles of representation, administration or direction within the Company or one of its organisational units equipped with financial and functional autonomy, as well as persons who exercise, even de facto, the management and control of the Company itself.
Persons in subordinate positions	Persons subject to the management and supervision of a person in a senior position.

CODE OF ETHICS

INTRODUCTION

The Group decided on 11 January 2016 to adopt its own Code of Ethics, which constitutes the point of reference for all those who carry out their activities on behalf and in the interest of the company itself.

The Code of Ethics, adopted with a resolution of the Board of Directors in 2016 and updated with a resolution of the Board of Directors on 23 February 2022, is the document which identifies principles and values that have a much broader scope than those involved in the mandatory adherence to regulatory provisions. The set of ethical principles and values expressed in the Code are meant to guide the activities of everyone who works in the Group, taking into account the importance of the roles, the complexity of the functions and the responsibilities entrusted to them for the pursuit of predefined purposes. The orientation towards ethics is an indispensable approach for the reliability of the Company's conduct towards its stakeholders, and more generally towards the entire civil and economic context in which the Group operates. In this context, the Code of Ethics defines the set of values that the Company recognizes, accepts and shares and the set of responsibilities it assumes internally and externally.

The update of this Code, which was first drafted in 2016, is the result of the awareness that at an international level we are witnessing a process of growing closeness between the company and society generated by increasing attention to ethics and social responsibility. The Company must adopt ethical conduct, which not only means complying with the law, but also establishing a healthy relationship with the environment, adopting policies that respect the individual, and more generally playing a positive role in the economic context and social area in which it operates. The corporate Mission itself is no longer based on a static vision of profit understood to be the sole purpose of corporate activity. As it evolves, our Mission defines not only economic but also social and environmental objectives. For the Company it has become of fundamental importance to not only satisfy short-term objectives, but also the expectations of the various interlocutors within the company who become front-line leaders of every phase of corporate activity. Corporate responsibility therefore takes concrete form in the creation of value for all stakeholders, in the awareness that their satisfaction promotes a relaxed and calm climate that allows establishing a relationship of mutual trust and collaboration that is essential for the pursuit of the common good. In short, a socially responsible company is one that reorients its goals from the pursuit of maximum profit to the creation of maximum value. It is therefore logical and consequential that the Company Management also wishes to account for how it has worked towards the company's Mission to create congruence between what the Company offers and what it receives in return from the social system, and therefore to ensure that the choices and values adopted internally are given appropriate external visibility.

ARTICLE 1. RECIPIENTS

This Code of Ethics also introduces and makes binding the principles and rules of conduct relevant to the prevention of the offences indicated in Legislative Decree 8 June 2001 no. 231 regarding the administrative liability of entities. The Code of Ethics therefore constitutes a fundamental supporting component of the Organization, Management and Control Model that has been adopted by the Company, to which the same Model expressly refers (Part B).

The rules of the Code are applied to anyone who works or collaborates in any guise with the Company or the Group Companies, i.e. to all Recipients, and in particular:

- *persons in senior positions*, i.e. persons who cover roles of representation, administration or direction within the Company or one of its organisational units equipped with financial and functional autonomy, as well as persons who exercise, even de facto, the management and control of the Company itself (e.g. members of the Corporate Bodies, Managers);
- *persons in subordinate positions*, i.e. persons who, within the company organisation, are subject to the management and supervision of a person in a senior position (e.g. Employees);
- *collaborators*, i.e. external entities who act in the name and/or on behalf of the Company based upon a specific mandate or other contractual link and who perform, directly or indirectly, activities connected to or involved in the company activity (e.g. consultants, external professionals);
- *stakeholders*, such as contractual counterparties of the Company, excluding Collaborators, who are, indifferently, individuals or legal entities, such as Suppliers, Customers and in general all entities to or from which the Company provides or receives any service, as well as commercial or operational Partners of the Company which play a role in projects and operations even at Group level.

Each Recipient has the duty to:

- know the rules contained in the Code;
- refrain from implementing behaviours contrary to the provisions of the Code;
- report to his superiors and/or to the Supervisory Body any information relating to violations of the Code;
- collaborate with the structures and/or persons in charge of the control activities on compliance with this Code;
- not to undertake any initiative contrary to the contents of the Code.

ARTICLE 2. COMPANY VALUES

The Group works in the cosmetic chemicals sector, and concretely supports the development of the company business with the aim of:

a. Preventing and managing conflicts of interest. The Group recognizes and respects the right of its people to participate in business investments or other activities outside those carried out in the interest of the Company, provided that these activities are legal and compatible, that is, that they do not conflict with the obligations an individual was hired to perform for the Company itself;

b. Transparently manage relations with Customers and Consumers. The entire Group operates in national and international markets, and its commercial policies and strategic choices are inspired by best practices and the principle of professional loyalty to Customers and Consumers;

c. Responsibly manage relations with Suppliers, commercial and industrial Partners. The Group shares its values and integrity with Suppliers, commercial and industrial Partners so that relations are based on maximum transparency. The Company promotes socially responsible conduct and work practices and expects Suppliers and Partners to operate in line with the same high standards of respect for Human Rights and environmental protection;

d. Valuing the professionalism of our Employees. The Group considers plurality and diversity sources of enrichment and resources for human development. The Company respects and values the exclusive contribution of each individual in the company, creating an inclusive work environment that respects the dignity of each of the workers, taking into account the contribution of each and recognizing the strength of differences;

e. Guarantee transparent and accurate information to the various stakeholders. The Group takes care to provide accurate, timely and complete information, and this conduct also translates into an ongoing commitment to accuracy in the accounting books;

f. Promote the health and safety of Employees. The Group requires that every activity be carried out safely, defined under the heading of Safety and Security. The Group complies with the highest international health and safety standards, along with the specific laws and regulations of the countries in which it operates. The Company aims for continuous improvement, and holds all levels of the company responsible to ensure management based on the principles of precaution, prevention, protection and risk management;

g. Support the creation of an ethical work environment. The Group believes that its People are a fundamental element for the success of the company, and so guarantees a work environment that is free from any form of discrimination or abuse in which everyone respects and supports each other, to fully develop the potential of People and of the Company;

h. Safeguarding the environment and mitigating climate change: The Group is committed to acting sustainably, minimizing its environmental impact and optimizing the use of energy resources, water resources and other natural resources. The Group carries out its business using resources responsibly to avoid compromising the needs of future generations, instead creating long-term value for its stakeholders and for the community;

i. Protect the Privacy rights of all the stakeholders. As part of carrying out its business activities, the Group collects a significant amount of personal data and confidential information. The company commits to treating this data in compliance with the laws on data protection and information confidentiality, as well as the best practices applicable in the jurisdictions in which it operates. The Group therefore protects the privacy rights of its People, its Customers, its Suppliers, its business Partners and all those with whom the Group establishes relationships, using personal data only for defined and appropriate purposes.

2.1. Sustainability

The values that inspire the Group referred to in the previous section not only constitute the set of responsibilities towards People and society and the environment incumbent on each Recipient of this Code. They also contribute to the achievement of the Sustainable Development Goals (SDGs) adopted by the United Nations, which are at the centre of “Agenda 2030”, to which the Group has decided to adhere. To this end, as a first step towards integrating the 2030 Agenda into its sustainability strategy, Beauty & Business S.p.A. carried out an exercise aimed at identifying the SDGs that are of priority interest for the organization, taking into account the issues resulting from the materiality analysis conducted and the characteristics of the sector in which it operates. The results of this analysis led to the selection of the SDGs considered by the Company as most the most relevant sustainable development goals of priority interest, or those to which the organization can contribute most through its business activities. Listed below are the 13 Sustainable Development Goals (SDGs) that the Company has identified, based on the nomenclature used in the United Nations 2030 Agenda for Sustainable Development, which was presented in September 2015.



The pursuit of these SDGs, together with the Values set out in this Code of Ethics, are complementary documents, capable of disseminating the ethical commitment that the Group intends to undertake towards a relationship of trust with all the social partners.

This commitment is inspired by an ideal of cooperation between People, respecting each one's role, and constitutes a guide for making decisions and carrying out actions in a manner consistent with the culture of responsibility, legality, transparency and the creation of long-term value for all the recipients of the Group, and contributing to sustainable development.

ARTICLE 3. STANDARDS OF CONDUCT

3.1 General criteria

All actions, operations and transactions implemented in the interest or to the benefit of the Company must be based upon the utmost correctness, completeness and transparency of information, on legitimacy from the formal and substantial aspect and clarity and truthfulness in accounting records, in accordance with the rules in force and in line with the established procedures, and they must be subject to verification by the Control bodies.

To that end, the Recipients are required to perform the duties assigned to them in accordance with the provisions indicated in this Code of Ethics and in strict compliance with the applicable laws and regulations, also in relationships with third parties.

The Recipients are required to comply with all provisions regulating their conduct and to submit to the Legal Department or Human Resources Department any doubts and questions regarding the legitimacy of any conduct involving the Company or the Group Companies.

In relationships and in commercial and promotional relations, fraudulent practices and behaviours, acts of bribery, favouritism and, more generally, any conduct contrary to the Law, industry regulations, internal regulations and this Code of Ethics are prohibited. That conduct is forbidden and sanctioned irrespective of whether or not it was implemented or attempted, directly or through third parties, to obtain personal benefits, benefits for third parties or benefits for the Company.

Commercial development activity must be done in respect of correct economic principles, in the regular market context and in fair competition with competitors, in constant compliance with the applicable rules of law and regulations.

3.2 Conflicts of interest

All business decisions and choices taken on behalf of the Company must correspond to the best interest of the same.

Therefore, any situations that may even only appear to be in conflict of interest, or those in which a person may pursue a personal interest using his company or professional role, must be avoided or at least reported to the hierarchical superior (where existing) and, in the most serious cases, reported to the Supervisory Body.

By way of example and without limitation, the following situations may cause a conflict of interest:

- performance of a senior role or as head of an organisational unit and having personal economic interests in common with Suppliers;
- accepting cash or favours from persons or companies that are in or intend to enter into business relationships with the Company or with Group Companies;
- having personal or family interests that may influence the independence of judgment when deciding upon the best interest of the Company and on the most appropriate way of pursuing it;
- benefiting personally, through relatives, colleagues or intermediaries, from business opportunities connected to the performance of one's functions or in relation to activity performed on behalf of the Company.

Employees must not possess, directly or indirectly, significant financial interests in any Company or entity that undertakes or seeks to undertake commercial relationships or is in competition with the Company or Group Companies, except with the prior written approval of the Company's Board of Directors.

"Significant financial interests" means, for the purposes of the application of this Code, the possession by an Employee and/or one of his relatives of a share exceeding 1% of the capital of the Company or entity referred to above.

ARTICLE 4. RELATIONSHIPS WITH CUSTOMERS AND CONSUMERS

The Company pursues its business success on the market through the offer of quality products and services, at competitive conditions and in respect of all rules in place to protect fair competition. It considers customer satisfaction to be a factor of primary importance for the fulfilment of the Company objectives. To that end, the Recipients are obliged to:

- communicate with customers honestly and transparently, informing them correctly and consistently on the characteristics of the goods and services offered and on the fulfilments under the responsibility of the Company, using simple and comprehensible language;
- to liaise with customers clearly, honestly and transparently in accordance with the procedures and provisions imparted;
- to provide high quality products and services that satisfy the reasonable expectations of Customers and protect their health and safety;
- to comply with the truth in advertising, commercial or any other type of communications.

The Company expressly prohibits all Employees or Collaborators from receiving or accepting gifts or other forms of benefit (e.g. hospitality) from anyone who undertakes, or intends to undertake, business relationships with the Company or the Group Companies.

In Countries in which it is customary to offer/receive gifts, the Recipients may act in that sense only where those gifts are appropriate and of small value. In that case, the applicable laws, commercial habits and Codes of Ethics - if known - of the companies or entities with which the Company has relationships must be respected. The hierarchical superior or Legal Department must be immediately informed.

The above provisions, however, do not apply to ordinary and reasonable entertaining expenses or to gifts of small value, which correspond to normal customs, provided that they do not breach any rules of law and they are compliant with company procedures.

It is in any case prohibited to accept cash from persons or companies that are in or intend to enter into business relationships with the Company or the Group Companies.

Anyone who receives offers of cash, gifts or favourable treatment or hospitality must in any case inform immediately their hierarchical superior or the relevant Legal Department.

Any gifts given to Employees or Collaborators or sent to the Company on the occasion of festivities must be handed over so that they may be used by the Company to fund charitable works. It is strictly prohibited to receive gifts or other gratuities to one's private address.

The Company, in particular, undertakes to respect the rights of consumers, not to market products that are harmful to their health and physical integrity and to provide complete information on its products.

To that end, the sales policies are aimed at ensuring the quality of the goods and services, safety and compliance with the principle of precaution.

The Recipients are therefore obliged to:

- comply with internal procedures for the management of relationships with Customers and Consumers;
- to provide with efficiency and courtesy, within the limits of the contractual provisions, high quality products which satisfy the reasonable expectations and requirements of Customers and Consumers;
- to provide accurate and comprehensive information on products and services and to comply with the truth in advertising or other communications, so that customers and consumers may make informed decisions.

ARTICLE 5. RELATIONSHIPS WITH SUPPLIERS

In selecting and managing relationships with Suppliers, the Recipients must:

- scrupulously abide by existing regulations and internal procedures on the selection of Suppliers and the management of relationships with the same;
- adopt objective and transparent assessment criteria when selecting any supplier companies, in possession of the necessary requirements;
- obtain the collaboration of Suppliers to ensure the satisfaction of Customer requirements (in terms of quality, cost and delivery times);
- observe and respect the applicable legal provisions and contractual conditions provided in relationships with Suppliers;
- act on the basis of principles of correctness and good faith, in line with the strictest commercial practices, when corresponding and dialoguing with Suppliers.

The Recipients are prohibited from:

- using their position in order to obtain any personal benefit;
- giving or receiving in any form, directly or indirectly, fees, gifts, presents, hospitality, except in the case of gifts or utilities of small value (acts of courtesy);
- being pressured by third parties extraneous to the Company to make decisions and/or perform acts relating to their work or professional activity.

Anyone receiving gifts or any other form of benefit, not directly related to normal relationships of courtesy, must take all appropriate steps to refuse that offer or in any case immediately to inform their hierarchical superior or the Legal Department.

It is in any case prohibited to accept cash from persons or companies that are in or intend to enter into business relationships with the Company or with the Group Companies.

In countries in which it is customary to offer gifts, the Recipients must act in that sense only where those gifts are appropriate in nature and of small value. In that case, the applicable laws, commercial habits and Codes of Ethics - if known - of the companies or entities with which the Company has relationships must be respected.

Any gifts provided to Employees or Collaborators or sent to the company on the occasion of festivities must be handed over so that they may be used by the Company to fund charitable works.

It is strictly prohibited to receive gifts or other gratuities to one's private address.

ARTICLE 6. HUMAN RESOURCE MANAGEMENT

In selecting and managing relationships with staff, the Recipients must comply scrupulously with existing regulations and company procedures. In particular, when recruiting foreign workers, particular attention must be paid to verifying the permit to stay which may never be absent, expired (and not renewed), revoked or cancelled.

The Company is constantly engaged in developing the skills and expertise of its management and Employees so as to ensure that the creativity of individuals can be fully expressed and implemented.

In order to enhance the skills and competencies of each Employee and to allow them to express their potential, the company functions and/or the persons in charge of managing Human Resources must:

- apply criteria of merit and professional expertise in adopting any decision in relation to Employees;
- recruit, train, remunerate and manage Employees without discrimination, ensuring that they enjoy fair and equal treatment, irrespective of their gender, age, nationality, religion, ethnicity, political, philosophical, sexual orientation and with reference to all aspects of the employment relationship (including, merely by way of example, professional recognitions, remuneration, professional update and training courses, etc.);
- develop the work of Employees and Collaborators, requesting performances coherent with the activities assigned to them;
- promote the involvement of Employees and external Collaborators ensuring they participate in the company objectives and their achievement;
- create a working environment in which personal characteristics or orientations do not give rise to discrimination;
- guarantee equal opportunities in all aspects of professional life.

The functions and/or entities in charge of the process of personnel recruitment for the Company, in respect of company protocols, assess particularly closely and carefully the recruitment of persons who have, or have had, direct or indirect relationships with the Public Administration.

The functions and/or entities in charge of the process of personnel recruitment must carefully assess, in respect of corporate protocols, the candidacies of relatives of employees of the Public Administration, or former employees of the Public Administration and their relatives, who participate or have participated actively and personally in business negotiations with the Company; similar precautions must be taken in relation to persons who participate or have participated in endorsing requests made by the Company to the Public Administration.

It is also prohibited to request from subordinate figures personal favours or any conduct that constitutes a violation of this Code of Ethics.

Also in compliance with the Conventions of the International Labour Organisation and the commitment of the Company to respect fundamental Human Rights, as well as to prevent child exploitation and not to use forced labour or work performed in conditions of slavery or servitude, it is also prohibited:

- to give rise, in internal and external work relationships, to a reduction to or maintenance in a state of subjection (by way of violence, threats, deceit, abuse of authority, profiting from a situation of physical or mental inferiority or a situation of necessity or by way of the promise or provision of sums of cash or other benefits to those with authority over the individual);
- to give rise to harassments, such as, for example, the creation of a working environment that is hostile towards individual workers or groups of workers, unjustified interference with the work of others and the creation of obstacles and impediments to the professional prospects of others, therein including sexual harassment (meaning the subordination of possibilities of professional growth or other benefits to the performance of sexual favours or offers of private interpersonal relationships which, being unwanted by the Recipient, may harm their peace of mind).

Any form of violence and sexual harassment or referring to personal and cultural diversities is prohibited. The following are therefore prohibited:

- to subordinate any decision relevant to the working life of the Recipient to the acceptance of sexual favours or personal and cultural characteristics;
- to induce Collaborators to sexual favours using the influence of one's role;
- to offer private interpersonal relationships despite express or reasonably evident dislike;

- to allude to disabilities or physical or mental impairments as well as to forms of cultural or religious diversity or sexual orientation.

If an Employee believes he has been the victim of harassment or conduct attributable to bullying, he may report that situation to the specific commission constituted by the relevant Personnel Director, by the Director of the Legal Area and by one of the members of the Board of Directors of the Company. The commission will deal with the report with the utmost confidentiality and will verify, within the limits of the powers granted by law, the basis of the report itself, providing a response within 15 working days and adopting, where appropriate, the necessary measures.

Reports may be sent in accordance with the contents of Article 20.3 below.

ARTICLE 7. RELATIONSHIPS WITH COLLABORATORS

Each Director, Manager, Employee, in relation to his functions, will be responsible, so to implement the principles listed above, for:

- scrupulously complying with internal procedures relating to the selection of non-subordinate Collaborators and the management of relationships with the same;
- carefully selecting persons and companies, including those with a good reputation and suitably qualified;
- adequately informing third parties who enter into relationships with the Company of the provisions of this Code, requiring their respect;
- reporting promptly any violations of the Code and adopting the established initiatives.

The Company will not commence or continue any relationships with those who do not intend to comply with the principles set out in this Code of Ethics.

ARTICLE 8. RELATIONSHIPS WITH THE PUBLIC ADMINISTRATION

8.1 General principles

Relationships with the Public Administration, or in any case relating to relationships of public nature, held by the Recipients must be based upon the strictest compliance with the applicable legal and regulatory provisions and may not in any way compromise the integrity and reputation of the Company.

In particular:

- all relationships that involve the company functions, even by way of external Collaborators, with the Public Administration must be brought in line with principles of diligence, transparency and honesty, as well as the utmost correctness and integrity;
- the assumption of commitments and management of relationships, of any nature, with the Public Administration and/or having public nature are reserved exclusively to the company functions in charge thereof and duly authorised;
- if the Company uses a consultant or third party to be represented in relationships with the Public Administration, the same directives imparted to Employees of the Company shall apply in relation to those persons (e.g. operating and control procedures);
- the Company must not be represented in relationships with the Public Administration by a third party if any conflict of interest may be in place.

8.2 Obligations and prohibitions in relationships with the Public Administration (Italy/Foreign)

In general, in relationships with the national or foreign Public Administration, the Company repudiates and sanctions any conduct of corruption, bribery or undue inducement to give or promise cash or other utilities: in particular, in addition, the following is specified.

Payments or rewards, in any form, offered, promised or made, directly or by way of an individual or legal entity, to Managers, Officers or Employees of the Public Administration or to their relatives, both Italian and of other countries, is strictly prohibited.

It is prohibited to offer or to accept any object, service, performance or favour of value to obtain more favourable treatment concerning any relationship held with the Public Administration.

If a Director, Employee or Collaborator of the Company receives explicit or implicit requests for benefits of any nature from the Public Administration, or from individuals or legal entities that act under the employ or on behalf of the Public Administration, they must immediately suspend any relationship and inform the Supervisory Body.

These provisions also apply in the case of unlawful pressures received on the occasion of relationships with individuals or legal entities that act under the employ or on behalf of the Public Administration.

The provisions indicated above do not apply to gifts and donations “of courtesy” or “protocol” or to customary utilities of small value, which correspond to normal habits and provided that they do not breach rules of law and they are compliant with the company procedures.

It is prohibited to evade the requirements of this Code of Ethics, by making recourse to different forms of assistance or contributions that (even in the form of sponsorships, assignments, consultancies, publicity, abnormal or undue discounts or in any case contrary to normal commercial practice and the company procedures) have the same purposes prohibited by the Code of Ethics.

With regard to funds and grants:

- it is not permitted to submit untrue declarations to national or EU public bodies in order to obtain public funds, grants or subsidised loans, or to obtain concessions, authorisations, licences or other administrative deeds;
- it is prohibited to use sums received from national or EU public bodies by way of funds, grants or loans, for purposes different from those for which they were allocated.

In relationships with the Public Administration the Company must not seek to influence improperly the decisions of the relevant institution.

In any case, during any business negotiation or a relationship, even commercial, with the Public Administration, the Company undertakes:

- not to offer employment and/or commercial opportunities in favour of Personnel of the Public Administration involved in the negotiation or in the relationship, or to their relatives;
- not to offer gifts;
- not to solicit or obtain confidential information that compromises its integrity or reputation.

With specific regard to IT and online systems of the Public Administration, it is also prohibited to:

- alter, in any way, the functioning of an IT or online system of the P.A. provoking undue profit for the Company in detriment to the State;
- access without authorisation and by any method, data/information or software contained in the IT or online system of the P.A.;
- exceed the limits of authorisation that may have been granted in accessing those systems/programs of relevance to the P.A.;
- access without authorisation IT or electronic systems of military interest or relating to public order or public safety or health and civil protection or in any case of public interest;
- commit actions aimed at destroying, deteriorating, deleting, altering or removing information, data or IT programs used by the State or by another public body or pertinent to them or in any case of public utility;

- commit actions aimed at destroying, damaging, rendering wholly or partly unusable IT or online systems of public utility or severely hindering their operation;
- make any form of alteration or counterfeiting of the declarations and communications sent to the Public Administration, even online, which must be true;
- pressurise any public Employees to proceed, to the benefit of the Company, to alter data and/or information found in the public archives.

ARTICLE 9. RELATIONSHIPS WITH THIRD PARTY ORGANISATIONS

Contributions to political, trade union and trade organisations, provided on the basis of specific regulations, must be paid in a manner strictly compliant with the law and regulations in force. Those contributions must be adequately documented.

The Company, in addition, does not pay contributions to organisations with which there may be a conflict of interest.

The Company, finally, again in respect of company protocols, assesses particularly carefully and attentively any payment of contributions to parties, movements, committees and organisations of political and/or trade union nature.

ARTICLE 10. RELATIONSHIPS WITH THE AUTHORITIES

The Company fully and scrupulously observes the provisions issued by the authorities, be they local, national or international, and brings itself in line with the law on the matter.

The Company undertakes to provide all information requested by the Authorities in charge of regulating and controlling the services provided, in a complete, correct, adequate and prompt manner.

ARTICLE 11. RELATIONSHIPS WITH THE MEDIA

The relationships between the Company and the mass media in general are the responsibility of the company functions and/or the entities delegated for this purpose and they must be held in respect of the communication policy defined by the Company.

The Recipients are prohibited from providing information to representatives of the mass media without authorisation from the functions and/or entities delegated for that purpose.

Similar authorisation is required for the participation, in the name or in representation of the Company, of Employees on committees or associations or at conventions, conferences or seminars, along with the drafting by the same of articles, essays or publications in general. If that authorisation is granted, external information and communications must be accurate, truthful, complete, transparent and homogeneous and verified by the company functions delegated for that purpose.

ARTICLE 12. "NON-PROFIT" INITIATIVES

The Company, in respect of the principles of transparency and honesty, may provide contributions to non-profit associations. In that case, the articles of association and deed of incorporation of the association, which must be of high cultural or charitable value, must be verified in advance.

Sponsorships can involve social issues, environmental protection, sport, entertainment, art and culture. The same are also used only for events that offer guarantees of quality.

In any case, in selecting the proposals to be accepted, attention must be paid to any possible conflict of interest of personal and corporate nature.

ARTICLE 13. PREVENTION OF BEHAVIOURS AT RISK OF CRIME

13.1 Counterfeiting of banknotes, coins, public credit cards and others

It is prohibited to counterfeit banknotes, coins, public credit cards, stamps and watermarked paper in the interest and/or to the benefit of the Company.

It is also prohibited to place in circulation (accepting, purchasing and/or selling) fake banknotes, coins, public credit cards, stamps or watermarked paper.

Anyone receiving on payment fake or stolen banknotes, coins or public credit cards, for relationships attributable to the Company, must promptly inform their superiors and the Supervisory Body.

13.2 Receiving and laundering

The Company and the Recipients must never perform or be involved in activities that imply the purchase, receipt, concealment, laundering (or acceptance or handling) or use in economic or financial activities of cash, assets (e.g. goods) or other utilities originating from criminal activities in any form or method.

It is an obligation to verify in advance the available information (including financial and reputational information) on commercial counterparties and Suppliers prior to establishing business relationships with them, so to ascertain the respectability and legitimacy of their activity.

The Company and the Recipients must always comply with the application of money laundering laws in any relevant jurisdiction.

13.3 Accounting records and deeds and corporate offences

All Recipients collaborate in the transparent keeping of accounting records, providing complete and clear information and ensuring the accuracy of the data and ledgers.

In particular, the Recipients in charge of preparing the economic, capital and financial reporting must ensure that operation occurs in compliance with the standards and principles applicable to accounting and that, therefore, the reporting produced correctly reflects the commercial transactions and the financial state of the Company involved.

The financial statements and corporate communications required by law must be prepared with clarity and represent correctly and truthfully the capital and financial situation of the Company.

To that end, Recipients in any way involved in the activities of forming the financial statements are bound by compliance with the rules relating to the truthfulness and clarity of the data and assessments.

The communications, reports and deposits (for example at the companies register) that are mandatory by law must be made by entities in charge of the same truthfully and promptly, in compliance with existing regulations.

It is prohibited:

- to falsify or induce third parties to falsify any company register or document;
- to keep hidden or not to register accounts, funds, activities or orders of the Company, including off-budget items or orders;
- to prevent or hinder the conduct of control or audit activities by the entities responsible or legitimated to perform the same (e.g. by hiding documents or by another suitable ploy);
- to implement simulated or fraudulent conduct aimed at determining the majority in the shareholders' meeting with a view to procuring for oneself or for others an unjust profit;
- to disseminate false information or to implement simulated operations or any other ploy concretely likely to cause a significant alteration of the price of securities of the Company, where "listed";

- to produce to the public supervisory authorities, in the communications required on the basis of law and in order to hinder the exercise of the supervisory functions, material facts not corresponding to the truth, even if subject to assessment, on the economic, capital or financial situation of the Company, as well as to hide by any other fraudulent means facts that should be communicated. That principle also refers to information relating to assets held or administered by the Company on behalf of third parties;
- in any form, to knowingly hinder the functions of the public supervisory authorities.

It is also prohibited:

- to return contributions made by the shareholders or to release them from the obligation of executing them, beyond cases of legitimate reduction of the share capital, even by way of dissimulated conduct;
- to allocate profits or advances on profits not actually achieved or intended for the reserve or to distribute unavailable reserves;
- to make share capital reductions, mergers or demergers in violation of legal provisions protecting creditors;
- to form or increase fictitiously the share capital, by way of attribution of stocks or shares for a sum below their nominal value, reciprocal subscription of stocks or shares, significant over-valuations of the contributions of assets in kind or receivables, or the equity of the Company in the case of transformation;
- to implement any type of operation that may cause damage to creditors.

All management bodies must provide the utmost prompt collaboration to all control bodies, which legitimately request from them information and documentation regarding the management of the Company.

All Recipients that become aware of omissions, falsifications or oversights in accounting records or ledgers, are required to report the same promptly to their superior and to the Supervisory Body.

ARTICLE 14. HEALTH AND SAFETY PROTECTION

14.1 General principles

All those who are in charge of implementing, at various levels, the rules (internal and otherwise) adopted in relation to workplace Health and Safety must, by way of example and without limitation, each within the remit of their own duties:

- promote and implement any reasonable initiative that may minimise the risk or remove the causes that may prejudice the Health and Safety of Employees, as well as third parties who provide their activity at the Company and customers;
- adjust promptly and constantly the internal procedures to the legislation on Health and Safety;
- create and maintain a constructive and collaborative relationship with the Public Institutions in charge of the activity of controlling workplace Health and Safety;
- promote and develop specific training and information programmes, adapted to the roles of the Recipients;
- perform specific controls to verify the actual use of the same;
- perform periodic controls on the actual application of the procedures adopted in relation to workplace Health and Safety;
- adopt specific policies and criteria for the selection of external companies to which to entrust works/services contracts;
- in the management of activities granted on contract to third parties, to guarantee the cooperation and coordination between the Company's own activity and that of the contractor company.

14.2 Smoking

The Company undertakes to ensure the Health and Safety of its Employees as well as the salubrious nature of the environment, notwithstanding the prohibition on smoking in the workplace.

The prohibition on smoking must be understood to be extended also to work time "breaks", where those periods are spent outside the areas dedicated to breaks, indicated by the company.

14.3 Alcohol and drug abuse

It is prohibited to work under the effects of alcohol or drugs or substances that create a similar effect.

It is also prohibited to consume those substances during working activity.

States of chronic alcohol or drug dependence, where they affect working performance and may hinder the normal performance of the same, are equated to the cases set out above.

14.4 Other prohibitions

It is prohibited to use the company structures to facilitate, in any way - at national or international level - the circulation of drugs as well as to store them at the premises of the Company or in any location attributable to the Company.

It is also forbidden to use the company structures to facilitate, in any way - at national and international level - the circulation of pornographic material as well as to store it at the premises of the Company or in any location attributable to the Company.

More generally, it is prohibited to encourage organised crime, national and transnational, in any form.

ARTICLE 15. SAFEGUARDING OF COMPANY ASSETS AND HERITAGE

Each Recipient is required to operate with the diligence required and necessary to protect the company resources, avoiding improper uses that may cause damage to or a reduction of efficiency, or in any case in contrast with the interest of the Company or dictated by professional reasons extraneous to the relationship with the Company. Similarly, it is the responsibility of the Recipients not only to protect those assets, but also to prevent their fraudulent or improper use.

It is not permitted to remove, destroy or eliminate any resource belonging to the company without prior authorisation from the same.

Each person is the custodian and is responsible for the assigned Company assets (tangible and intangible), instrumental to the activity performed; no Employee or Collaborator may make or allow others to make any improper use of the assigned Company assets and resources.

By way of example and without limitation, the Company's resources, for which the principle of diligence set out above applies, include:

- all assets that, based upon the activity, are, in various guises, in the sphere of the domain of the Company;
- capital goods and tangible assets of consumption owned by the Company;
- assets obtained on concession, free loan or use from public and private institutions;
- IT applications and devices.

ARTICLE 16. USE OF IT SYSTEMS

It is prohibited to use for unlawful purposes the set of IT and online systems and tools made available to the Recipients for the conduct of their working activity (for example: computers, e-mail, internet access, laptops, and portable computers). These tools must also be used in compliance with current legislation (including Legislative Decree 30 June 2003 n. 196 “Code regarding the protection of personal data and EU Regulation 2016/679”) and company policies.

The system administrators, in particular, must use the IT tools in compliance with principles of diligence and correctness, for the sole purpose of verifying and guaranteeing the efficient and optimal functionality of the same, in respect of the provisions of the company policies. Any external companies used by the Company for the management and use of the IT system must respect those principles.

It is the duty of each Employee and Collaborator to store appropriately the IT and electronic tools made available and to report promptly any thefts, damage or loss.

The Company allows access to the internet only to authorised personnel, exclusively for purposes relating to the conduct of the assigned duties. The following will therefore be considered as improper use of the internet, subject to express authorisation:

- to access or register to websites whose contents are not connected to working activity;
- to participate in discussion forums, chat lines, electronic notice boards and social networks;
- to perform any type of financial transaction, therein including remote banking, online purchases and the like.

The Company makes available to personnel a company e-mail service in order to facilitate and speed-up communication processes. The use of that tool is permitted exclusively for purposes connected to the working activity performed.

ARTICLE 17. PROTECTION OF COMPANY INFORMATION

All information that is not in the public domain relating to the Company, or relating to its activities or business, of which the Recipients are aware based upon their functions or in any case the working and professional relationship, must be considered confidential, as it is strictly owned by that entity, to be used only for the conduct of their working activity.

By way of example only, confidential information is defined as: technical information relating to products and procedures; purchasing programs; cost, pricing, marketing or service strategies; information relating to sales, mergers and acquisitions; information relating to business processes (of any type, not just production) and/or the business organization in a broad sense (e.g. know-how).

Recipients must use all due caution to avoid the undue disclosure of such confidential information, and must not use or allow the use of information that is not in the public domain relating to the Company, its activity or business, or involving subjects who have relations with it to promote or favour their own interests or those of third parties.

If an Employee or Collaborator believes that it is appropriate or legally necessary to disclose or use the confidential information outside the Company, before proceeding, he must contact and request appropriate authorisation from the relevant Legal Department and wait the necessary time to allow for the suitable measures of protection to be taken.

Where the Company has signed a confidentiality agreement in relation to confidential information disclosed by third parties to the Company itself, the Recipients who receive that information must comply with the terms of that agreement.

Information relating to research activities in the scientific and technological field may be

exchanged within the Group, after the industrial property protection tools have been implemented, in compliance with company procedures.

The confidentiality obligations remain in force even after the employment or collaboration relationship has ceased.

IT processing of information is subject to security controls in order to safeguard the Company from undue intrusions or unlawful use and the material or electronic information media is destroyed in respect of the procedures that regulate the matter and within the limits provided by law.

More generally, the Company undertakes to process the personal data relating to its Employees or to third parties, in respect of the provisions of the Personal Data Protection Code (Italian Legislative Decree no. 196 of 30 June 2003): each Employee and/or Collaborator must comply with the company procedures on personal data protection. In addition, each Employee must:

- acquire and process only the data necessary and directly connected to his functions;
- store that data so as to prevent extraneous third parties from becoming aware of it;
- communicate (and/or disclose) the data within the limits provided by company procedures.

ARTICLE 18. ENVIRONMENTAL PROTECTION

The Company undertakes to contribute to the development and safety of the environment in which it operates and constantly pursues the safeguarding of the health of its Employees, other Collaborators and the community affected by the Company’s activities.

The operational management of industrial activities must refer, in compliance with current legislation on environmental prevention and protection, to the most appropriate criteria of protection of the environment, protection of ecosystems and efficient use of energy, water and other natural resources in order to reduce impact on the environment.

The Company will contribute - in relation to its specific areas of activity - to the promotion and development of scientific and technological research, in order to develop products and processes that are increasingly compatible with the environment and oriented towards safeguarding the safety of Customers, as well as being characterised by increasing attention to the Health and Safety of Employees and the protection of the community in which the Company works.

In particular, in the conduct of its activity, the Company sets itself the objective of:

- continuously improving the environmental policies, programmes and conduct of the company, taking account of technological progress, scientific knowledge, consumer requirements and the expectations of the community;
- disseminating the “environmental policy” through information, training, consultation and involvement of the Recipients for the responsible conduct of their activity in respect of the environment;
- assessing the direct and indirect environmental aspects/impacts during the production and planning of new activities and prior to the disposal of a system or abandonment of a site;
- assess the direct and indirect environmental aspects/impacts relating to the design of new products, including the use and end of life phases;
- minimize the production of waste and the environmental consequences related to its production and disposal, making the process safe and responsible through the adoption of monitoring and tracking systems;
- educate Customers, Distributors and the public in order to promote safety and sustainability in the use, transport, storage and disposal of the products supplied;
- reduce the environmental impacts of its production activities and of its products and services, with particular attention to the reduction of atmospheric greenhouse gas emissions

in order to combat climate change;

- monitor, measure and document their environmental performance by regularly carrying out checks and assessments regarding compliance with company objectives and mandatory regulations.

ARTICLE 19. COMPETITION

The Company, recognising the importance of a competitive market, undertakes to respect the rules of law on competition.

Agreements between companies and in any case all situations that may have a distorting effect on competition, in particular, contracts that contain exclusivity clauses, constraints on determining the price and territorial restrictions are subject to anti-trust legislation. Therefore, in any case of potential conflict with the anti-trust rules, the verification of legal experts is requested in advance.

The Company repudiates and sanctions any conduct constituting bribery in relationships between private entities. In particular, it censures the conduct of those who give or promise cash or other utilities to any person belonging to other economic entities (e.g. directors, managers, employees, etc.) inducing the latter to violate the obligations relating to their role or their loyalty towards the entity to which they belong.

Acts of unfair competition and, in general, incorrect actions in commercial competition are prohibited. Merely by way of example, the following behaviours are prohibited:

- bribery or use of bribes to facilitate an activity or induce contractual violations by third parties;
- acquisition of trade secrets of a competitor by way of bribery or theft;
- false, misleading or denigrating statements or comparisons in relation to competitors and their respective products;
- statements lacking any reasonable basis issued in relation to products of third parties or of competing companies;
- dissemination of commercial information of the Company at competing Companies;
- transfer of Employees or agents in favour of competing Companies;
- dissemination to third parties of information on customers of the Company.
- All public statements issued on behalf of the Company (therein including those contained in advertising or promotional material, sales declarations, guarantees) must always be true, have a reasonable basis and not be misleading.

ARTICLE 20. SANCTIONS AND CONTROL

20.1 Sanctions

The Recipients must comply scrupulously with the obligations imposed upon them by Law and by regulations and, each insofar as their position allows, they will comply with the particular provisions set out in this Code of Ethics.

The principles expressed in the Code of Ethics constitute an integral part of the conditions that regulate the employment relationships as they are an expression of the conduct that the Recipients are required to implement, by virtue of the civil and criminal laws in force and the obligations provided by collective contracts.

Specific sanctions will be applied to any Recipients who violate this Code.

20.2 Internal control

In the administration of the Company, the principles of corporate governance most suitable to ensuring the best implementation of the activities in respect of the rules of good corporate governance and the provisions of the Code are respected. The system of internal control must be oriented towards the adoption of tools and methodologies aimed at:

- combating potential company risks;
- protecting, also by preventive actions, the company assets;
- determining a reasonable guarantee of the respect not only of laws but also of internal provisions and procedures.

In that context, training activities are planned which also concern the contents of the Code of Ethics.

The Code of Ethics must, in addition, be made available to all the Recipients.

Management must constantly ensure the conformity of the behaviours with what is indicated in the Code and, if necessary, implement specific verification programmes.

The body in charge of verifying the effectiveness of the system of internal control is the Board of Directors.

20.3 Reporting violations

The Company requires from all Recipients strict compliance with the provisions of this Code. If any Recipient becomes aware of situations, even only potentially illegal or contrary to the principles expressed by this Code of Ethics, he must immediately inform the Supervisory Body of the same, sending a communication to the e-mail address allocated for this purpose [Organismo.Vigilanza231@alfaparfgroup.it].

Any lack of compliance with the duty of information may be subject to disciplinary sanction.

The reports received are rapidly examined and dealt with by the Supervisory Body, or by one of its delegates, with the strictest confidentiality, guaranteeing, in any case, the anonymity of the reporter. The Supervisory Body assesses the reports received and any consequent measures; it is entitled to listen to the author of the report and/or to the person responsible for the alleged violation and it must motivate its decisions in writing.

Relationships between Recipients, at all levels, must be based upon criteria and conduct of correctness, integrity and mutual respect. Therefore, any abuse of the duty of information regulated by this article for the purpose of revenge will be sanctioned.

Each Recipient must fully cooperate in any investigations held in relation to violations of the Code, maintaining the strictest confidentiality regarding the existence of those investigations.

The Recipients must actively participate, where requested, in verification activities on compliance with the Code.

ARTICLE 21. CODE OF ETHICS: EFFECTIVENESS, UPDATE AND AMENDMENTS

This Code is adopted, by resolution of the Board of Directors of the Company, with immediate effect, and any update, amendment or addition to this Code must be approved by the Board of Directors of the Company.

The Code of Ethics and its updates will be available in electronic format, as well as on the company intranet, in a specific dedicated Section, also on the company website www.alfaparf-milano.it so that all Recipients and third parties may be fully aware of the same.

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