

# **CODE OF ETHICS**

**Approved by the Board of Directors  
on 12/21/2020**

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## **1. PREAMBLE**

The Olimpia Splendid Group (hereinafter referred to as just the “Group” and, to indicate the companies belonging to the Group, “Company”), is a leader in the world of Air Conditioning, Heating, Air Treatment and Hydronic Systems.

The Group offers its customers the technological and design capacity, the flexibility and dynamism typical of specialised companies, combined with the solidity of an organisation that has grown and matured over time.

With this Code of Ethics, the Group aims to:

- create value for shareholders by developing the company over the long term;
- contribute to the well-being and professional growth of employees and contractors;
- introduce innovation that can meet the demands of the sector of reference.

All the above in compliance with the main values of the Group: ethics and transparency.

Moreover, the Group also aims to collaborate with customers, staff and suppliers on the basis of mutual relationships based on:

- Professionalism;
- Reliability;
- A sense of responsibility;
- Common sense;
- Commitment.

## **2. GENERAL PRINCIPLES**

### **2.1 Introduction**

Success in the sector of reference always depends on understanding and sharing the market's expectations in relation to ethical standards.

The Code of Ethics was developed to ensure that the Group's fundamental ethical values are clearly defined and constitute the basic element of the corporate culture.

The Code defines the set of core values and responsibilities assumed by the Company towards internal and external parties. Employees are expected to fully comply with the Code in order to ensure its effective operation, reliability, and reputation.

In achieving its objectives, the Group aims to generate value in a stable way in favour of shareholders, human resources, customers and suppliers within the framework of the legal regulatory system in force; to this end, it believes that the conduct of its business must always and constantly comply with the principles of loyalty, legality and correctness.

Everyone who works or operates for the Group must be committed to complying with these principles, and to have these principles upheld, without exception, within their area of responsibility; under no circumstances whatsoever will acting for the benefit of the Company be justification for any behaviour which does not comply with the above.

Any behaviour contrary to the letter or to the spirit of the Code will be disciplined in accordance with that provided for in the same Code.

Any recipient of the Code who breaches the rules therein materially damages the relationship of trust with the Company.

### **2.2 Recipients and scope of application**

This Code expresses the commitment and ethical responsibilities assumed towards all *stakeholders* (shareholders, employees, collaborators, suppliers, customers and business partners,

hereinafter referred to as Recipients) in the belief that ethics in the conduct of business is an essential prerequisite for the success of the Group.

Moral integrity, which characterises the behaviour of the entire organisation, is expected from everyone who works for the Company.

The Code is based on an ideal of mutual respect and cooperation between, and mutual benefit to, the parties involved and is, therefore, binding on everyone who collaborates with the Group whether directly or indirectly, on a permanent or a temporary basis.

Any situation of conflict of interest, even indirect or potential, must be promptly reported to the Board of Directors of Olimpia Splendid S.p.A., in order to assess their existence and seriousness and exclude or mitigate and the consequent effects.

## **2.3 Ethical principles**

This Code of Ethics describes the Company's fundamental ethical values, which are:

### **Lawfulness**

Every recipient of this document is expected to comply with current legislation, the Code of Ethics, and internal company procedures; under no circumstances whatsoever will acting in the interests of the Company be justification for any behaviour which does not comply with the above.

### **Fairness**

Every activity, internal or external, shall be based on the utmost fairness and integrity, by operating with a sense of responsibility, in good faith, establishing customary professional and commercial relationships, as well as by safeguarding and enhancing the Company's assets.

### **Transparency**

Every action and relationship with a counterparty shall be carried out by ensuring correctness, completeness, accuracy, uniformity, and timeliness of information, in accordance with applicable legislation and best market practices, within the limits of safeguarding the Company's know-how and assets.

### **Impartiality**

The Company, in both internal and external relationships, rejects any and every form of discrimination based on age, sex, sexual orientation, health status, race, ethnicity, nationality, political opinions, trade union membership, or religious beliefs.

### **Diligence and professionalism**

Directors, Institutional Bodies and Employees perform their professional services diligently by working or operating in the Company's interests and by pursuing objectives of effectiveness and efficiency.

### **Correctness**

Every action and operation carried out and the behaviour expected from each Recipient in performing their function and tasks, are based on formal and substantive legitimacy, in accordance with current legislation and internal procedures as well as correctness, collaboration, fairness, and mutual respect.

Recipients do not use information, goods or equipment - made available to them for the purposes of their function or assignment - for personal gain.

Recipients may not use fixed telephony equipment, photocopiers or computers for personal use, not even to receive communications, unless with the explicit authorisation from their supervisor.

With specific regard to company cars, these may be used on weekends and during days off/holidays, but the costs incurred during these periods for motorway tolls shall be borne by the Employee and not by the Company.

Recipients do not accept, nor make, for him/herself or for others, suggestions, recommendations or reports which might harm the Company or result in an undue benefit for him/her, for the Company or for a third party; Recipients also reject and do not make promises of undue offers of money or other benefits.

If a Recipient experiences illegitimate pressure or offers of gifts, benefits or similar which exceed a modest value, the Recipient is expected to report the situation promptly to his or her supervisor or to the Administrative Body.

### **Conflict of interests**

Recipients pursue the Company's objectives and general interests as they carry out their tasks.

Recipients inform, without delay, taking account of the circumstances, their supervisor or the Administrative Body of any situation or activity in which a conflict of interests might arise between the Company and the Recipient (or between the Company and a relative of a Recipient) and in any other case in which there are relevant and substantive reasons, respecting the decisions that the Company will take on the matter.

A conflict of interests is understood as being any activity which results in a benefit or advantage such as to compromise or impair the ability to make impartial and objective business decisions.

## **2.4 Commitment of the Olimpia Group**

The Olimpia Group ensures that:

- ✓ the Code will be reviewed and adjusted in order to adapt it to any changes in legislation regarding the Code itself;
- ✓ every possible cognitive and clarification tool will be made available to assist in the interpretation and implementation of the regulations contained in the Code;
- ✓ checks will be done following any notification of a breach of the Code;
- ✓ facts will be assessed and, if a breach of the Code is ascertained, appropriate sanctions will be imposed;
- ✓ no retaliation whatsoever will result from a report made, in good faith, of a potential breach of the Code.

## **2.5 Employee obligations**

Each employee is required to understand and to scrupulously follow the regulations contained in this Code.

Company employees are obliged to:

- observe all current laws and regulations;
- seek advice from their supervisor or from the Administrative Body in the event that a clarification is needed on how to apply any of the laws or regulations;
- promptly report to their supervisor or to the Administrative Body any information regarding a possible breach of these regulations, or any request received from any source regarding a breach or proposed breach of the regulations;
- cooperate with the organisations appointed to verify any possible breaches.

## **2.6 Additional obligations for Heads of Departments**

Every Head of Department is also required to:

- represent an example to their staff in the way they behave, directing their staff to follow the Code and clarifying its value;
- work so that personnel understand that respect for the Code constitutes an essential part of the quality of work performance;
- carefully select, within their area of responsibility, external contractors who can be relied upon to fully observe the regulations in the Code;
- promptly report to the Administrative Body their findings regarding reports provided by their personnel regarding possible breaches of the regulations;
- adopt immediate corrective measures, as required by the situation;
- prevent any form of retaliation.

## **2.7 The Code's validity towards third parties**

With regard to third parties, every employee, based on their area of responsibility, will:

- inform them, in an appropriate way, of the commitments and obligations envisaged by the Code;
- require that the obligations which directly concern their activity are observed;
- adopt appropriate initiatives in the event that a third party fails to comply with its obligations under the Code.



## **2.8 Implementation and control structures**

The Administrative Body of the Group company:

- reviews reports of a possible breach of the Code and sees that the most appropriate checks are done;
- notifies the Company of the results of these checks so that any disciplinary measures against an employee or employees can be taken;
- proposes initiatives useful in spreading and updating the Code.

### **3. RULES OF CONDUCT**

In business relations, the Group is inspired by the principles of loyalty, correctness and transparency. Acts of corruption, illegitimate favours, collusion, solicitation, direct or indirect, of personal benefits or advantages for oneself or for others are prohibited.

The Company recognises and respects the right of its employees and collaborators to participate in activities other than those carried out for the benefit of the Company, provided that they are activities allowed by law and compatible with the obligations undertaken as employees of the same.

In any case, employees and contractors shall avoid any situation in which a potential conflict of interests might arise with the Company, or that might compromise their ability to take impartial decisions in the best interests of the same.

Any situation which may constitute a conflict of interest must be promptly communicated to the supervisor or to the Administrative Body. Specifically, every employee is required to avoid a situation of a conflict of interests arising between their personal economic activities and the role they play in the organisation to which they belong.

Purely by way of example, the following situations present a conflict of interests:

- the employee has, or a member of his or her family has, economic or financial interests in doing business with clients, suppliers, or competitors of Olimpia Splendid S.p.A.;
- the employee uses his or her position in the Company or the information acquired in such a way as to create a conflict between his or her personal interests and the interests of the Company;
- the employee performs any work activity at a client, supplier or competitor site or facility;
- the employee accepts money, favours or other benefits from persons who are or intend to enter into a relationship with the Company.

Company employees are prohibited from accepting gifts or favourable treatments not ascribable to normal polite behaviour.

### **3.1 Relationships with employees**

The Company recognises the centrality of the human resources who work for it and without which the Company would not exist. The Company also recognises the importance of establishing and maintaining relationships with employees based on mutual trust.

That is why the Company is committed to developing the skills and potential of each employee and contractor as they carry out their assignments, so that each employee's abilities and legitimate aspirations are fully realised through achieving the Company's objectives.

Every employee and contractor at the Company is expected to act professionally in order to observe the obligations assumed by them through their employment contract and as envisaged by this Code of Ethics by ensuring that they perform as expected and comply with the commitments undertaken.

The Group operates its business by safeguarding working conditions and by protecting each worker's psycho-physical well-being, respecting the worker's moral personality, and ensuring that each worker is protected from any unlawful conditioning or undue inconvenience. The Company expects its employees to cooperate in maintaining a corporate climate based on respect for an individual's dignity, honour, and reputation.

### **3.2 Relationships with clients**

The Group pursues its business success on the markets by offering quality services, at competitive conditions and in compliance with all the rules set up to protect fair competition.

The Company recognises that appreciating and valuing those who request its services are of primary importance for the Company's success.

The employees therefore commit themselves to:

- follow internal procedures when managing relationships with clients;
- provide, with efficiency and courtesy, within the limits of the contractual provisions, high quality products which meet the client's reasonable expectations and needs;

- provide accurate information about the products offered by the Company in terms of transparency, impartiality, completeness and clarity.

### **3.3 Relationships with suppliers**

As far as contracts of tender, procurement contracts in general or of provision of services are concerned, the employees of the Company involved in the procurement processes must:

- follow internal procedures when selecting and managing relationships with suppliers;
- not preclude any supplier company which has the required prerequisites from the possibility of competing to win a supply contract. This shall be done by adopting objective selection criteria in accordance with declared and transparent selection methods;
- comply with the contractual conditions provided;
- advise the relevant functions of any issues that might arise.

All contractors collaborating with the Group are required to work diligently in order to protect company assets, by maintaining a behaviour which is responsible and in line with the operating procedures set up to regulate their use. Each contractor is responsible for protecting those resources entrusted to him or her.

### **3.4 Relationships with external collaborators, contractors and consultants**

External collaborators, contractors and consultants are asked to abide by the principles contained in the Code. For this purpose, each employee, in relation to his or her function, will:

- comply with the principles and internal procedures for selecting and managing the relationship with external collaborators, contractors and consultants;
- only select qualified personnel and companies that also have a good reputation;
- adequately take into account the indications from any source regarding the opportunity of using certain external collaborators, contractors and consultants;
- promptly report to their superior or to the Administrative Body on doubts regarding violations of the Code by external collaborators, contractors and consultants;
- include in the external collaboration, contracting and consultancy contracts the provisions of the procedures and the express obligation to abide by the principles of the Code.

In any case, the compensation to be paid shall be exclusively commensurate with the service indicated in the contract and payments may not be made to a party other than the contractual counterparty, or to a country other than that in which the parties are established or in which the contract is executed.

### **3.5 Relationships with Public Institutions**

Relations with public institutions related to the implementation of the Group's programmes are reserved exclusively for the functions and responsibilities thereto delegated.

Gifts and acts of courtesy and hospitality for representatives such as public officials, public service employees and public employees are not permitted, not even if their value is merely modest.

Specifically, in accordance with the principles set out in this Code, in relationships with representatives of any public administration, Italian or otherwise, directly or indirectly, it is prohibited to:

- propose employment and/or commercial opportunities that might benefit an employee of a public administration, whether personally or through family connections;
- solicit or obtain confidential or reserved information that might compromise the integrity or reputation of both parties;
- promise or grant benefits of any nature in order to influence the independence of a decision or to obtain an advantage for the Company;
- allocate public contributions, subsidies, incentives, concessions, or finances to a purpose other than that (or those) for which such grants were obtained.

If a consultant or a third party is authorised to represent the Company in its relations with public administration, the same directives applicable to Company employees must be applied to him or her.

### **3.6 Relationships with political organisations and trade unions**

The Company does not make direct or indirect contributions and in any form to parties and trade unions, their representatives and candidates.

### **3.7 Internal controls**

It is the Group's policy to spread at all levels a culture characterised by the awareness of the existence of controls and taking an attitude oriented to the exercise of control.

Internal controls are understood as being all the tools useful and necessary to guide, manage, and check company activities with the aims of ensuring compliance with the law and company procedures, and of protecting the Company's assets.

All operations carried out in relation to the Company's activities must be adequately registered and it must be possible to verify the decision-making, authorisation and execution process.

There must be appropriate supporting documentation for every operation in order to be able, at any moment, to carry out checks that will certify the characteristics of an operation and the reasons for doing it, and that will identify who authorised, carried out, recorded, and checked such an operation.

### **3.8 Transparency in accounting activities**

Accounting transparency is based on the truthfulness, completeness, and accuracy of the base information used for the relative accounting records. Employees, within the context of their functions and tasks, are expected to cooperate so that management facts are represented properly and promptly in the accounting records. Appropriate supporting documentation on the tasks performed is kept for each operation in order to:

- make registering the accounts easier;
- identify the various levels of authorisation and responsibility;
- accurately reconstruct the operation, as well as to reduce the probability of interpretation errors;
- permit an assessment of legitimacy, coherence, and consistency;
- ensure consistency between records and supporting documentation.

Each employee is responsible, within the context of their respective functions and tasks, to ensure that documentation is easily traceable and organised logically; employees of the Company who become aware of any omissions, falsifications, or negligence in accounting or in the

documentation on which the accounting records are based, are expected to report the details to their supervisor or to the Administrative Body.

In particular, the Supervisory Bodies must have free access to data, documents and information necessary for the performance of their activities. Preventing or hindering control or auditing activities, which have been legally assigned to one or more statutory auditors or to another corporate body, is expressly forbidden.

Information released outside the Company must be truthful and transparent.

### **3.9 Protecting privacy**

The Company complies with the provisions on the confidentiality of personal data envisaged in the European Regulation 679/2016.

The priority of information system security is to protect data and those components of the information system that deal with managing data.

Data protection is guaranteed by maintaining:

- confidentiality, which ensures that only those duly authorised parties have access to data;
- integrity, i.e. safeguarding the completeness of data and transfer methods;
- availability, by ensuring that authorised users have access to data.

The lack of an adequate level of data security in terms of confidentiality, availability, and integrity can result in the loss of competitive advantage, image, clients, revenue with subsequent financial losses, as well as the risk of incurring sanctions connected with a breach of current regulations.

### **3.10 Confidentiality**

Each employee is responsible for ensuring the confidentiality required by the circumstances of each piece of information acquired as a result of performing their work. The Company undertakes to protect the information relating to its employees and third parties, generated or acquired within and in business relationships, and to avoid any improper use of this information which belongs to the

Company and which cannot be used, communicated or disclosed without the specific authorisation of the supervisor.

Every employee must:

- acquire and process just that data which is necessary and appropriate for the purposes of their work;
- acquire and process the same data solely as part of specific procedures;
- keep or store the data in such a way that no unauthorised party can become aware of it or access it;
- communicate the data solely as part of pre-established procedures and/or upon the explicit authorisation of a supervisor and, in any case, only after having verified that the data can be disclosed;
- ensure that no absolute or relative restrictions subsist on the disclosure of information regarding third parties connected to the Company by a relationship of any kind and, should that be necessary, obtain their consent.



## **4. BREACHES OF THE CODE OF ETHICS**

The Company's Administrative Body is in charge of verifying that the Recipients comply with the rules contained in this Code; should it find a breach of the same through the analysis of the evidence collected, it shall promptly inform (in writing) the Board of Directors of the Parent Company in order to reach a decision regarding the imposition of any sanctions, in proportion to the severity of the breach itself.

Any breach and notification of violation (referable to the Code of Ethics) must be reported without delay to the Supervisory Body of Olimpia Splendid S.p.A.

Failure to comply with the Code of Ethics will result in sanctions being imposed and the Code of Ethics must be expressly indicated in the Company's disciplinary procedure where the sanctions connected with the various types of breaches must be highlighted.

### **4.1 Relevant Conduct**

For the purposes of this Disciplinary System, all acts and/or omissions (even unintentional), capable of compromising the effectiveness of the same as a prevention tool, constitute a breach of the Code of Ethics.

### **4.2 Breaches of the Code by employees**

Any breach of the Code of Ethics by employees will be considered a non-fulfilment of the obligations deriving from the employment contract or disciplinary offence. Any sanctioning measures will be adopted by the Company on the basis of the disciplinary system envisaged in the Code of Ethics, in compliance with the laws in force at that time and with employment contracts, as a consequence of the termination of the fiduciary relationship.

### **4.2 Breach of the Code by Executives, Directors and Supervisory Bodies**

In case of breach of the Code of Ethics by Executives, Directors or Control Bodies, the Administrative Body of the Company shall inform the entire Board of Directors and Board of Statutory Auditors of Olimpia Splendid S.p.A. who will collectively assess the facts and behaviours deemed relevant and will take the appropriate initiatives towards the accountable individuals, in compliance with the provisions of the disciplinary system.

### **4.3 Breaches of the Code by contractors, consultants, and other third parties**

If, however, a self-employed party, a supplier, or another party tied to, by a consulting or a service contract, breaches the Code of Ethics, this may result in the contract being terminated as well as damages being sought as a result of the breach.

To this end, it is opportune to add express termination clauses to supply or collaboration contracts (agency, partnership, supply contracts, etc.), making explicit reference to the Code of Ethics' provisions.

## **5. FINAL PROVISIONS**

### **5.1 Conflicts with the Code of Ethics**

In the event of a conflict between these regulations and another internal regulation, those in the Code of Ethics shall prevail.

The Company's Administrative Body is entrusted with the revision of the most relevant policies and procedures, in order to make them consistent with this Code.

### **5.2 Changes to the Code of Ethics**

The Code of Ethics will be subject to periodic review by the Administrative Body.

Any variation must be adopted by said Administrative Body and brought to the attention of the Recipients.