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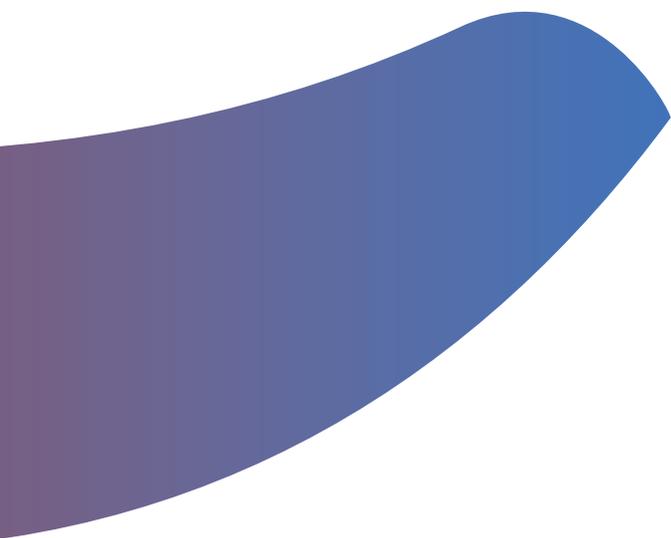
Shaping together



code of
conduct



summary



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foreword
by Elmeg's board of
management

Dear colleagues,
in Elmeg we strongly believe that an enterprise is part of a wide system that goes beyond the network of its customers, suppliers and workers; we think that being part of this systems means having an unwritten commitment to make our workplaces, the regions in which Elmeg is and the world itself better places.

The trust that customers and all the stakeholders have for our company and its products is our most precious asset. It has been built during many years and we must take care of it during this phase of internationalization and evolution of the company.

We have a shared responsibility to live up to this trust every day by conducting ourselves with honesty and integrity. That includes being familiar with the applicable internal rules and statutory regulations and complying with them. Irrespective of the differences between us, our origins, our tasks and our responsibilities, it is shared values that determine how we go about our duties, how we make decisions and how we interact with one another and with people from outside our Company.

The goal of ethic is to help us to understand “what to do and how to do it” and to simplify our existence that has a very high complexity level. Therefore, this Code of Conduct helps us by highlighting potential areas of risk and conflict, explaining their meaning for our Company and illustrating them with examples; it is a map that will help us to orient and the basis for ethically and legally impeccable behaviour of the entire Elmeg team. We therefore encourage you to read the contents carefully.

Regardless of our position in the Company, we all share responsibility for the reputation, and thus the success, of our Company through our attitude and our conduct. If we notice that something is going wrong, if we make a mistake ourselves or we see a mistake being made elsewhere, we must speak up and respond appropriately — even if doing so is awkward and uncomfortable. Turning a blind eye can never be the right solution. When in doubt, we must seek competent advice and support. We are convinced that our new Code of Conduct is an essential key to make Elmeg more successful in the future. The clear and transparent rules and very specific practical examples are a useful guide.

Through this Code of Conduct, we commit to our values and principles as well as clear standards for responsible and proper conduct, thereby empowering our employees to exercise independence and entrepreneurial freedom in their decisions and actions.

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compliance

One decisive factor for Elmeg success and long-lasting existence is that all employees - from Board members and managers to each individual member of staff - must act with honesty and integrity and in an ethical manner.

Sustainability requires of us an awareness of our responsibility for the economic, social and ecological impact of our actions. Such conduct also means that we all respect and observe the rules in force in the Company everywhere and at all times.

Our Board members and managers bear a special responsibility in this context: they are role models and must prevent non-compliant behaviours within the Company, protect their employees and conduct themselves with integrity both within the Company and externally.

The information contained in this Code of Conduct is divided into three main sections:

[Our responsibility as a member of society](#)

[Our responsibility as a business partner](#)

[Our responsibility in the workplace.](#)

The Code of Conduct serves as a binding guideline in our day-to-day business.

It also goes without saying that we all comply with national and international statutory provisions, since compliance with the applicable laws and other external and internal regulations is an integral part and the foundation of our business activities and decisions. This also means that we never take any part in any activity that involves fraud, misappropriation, extortion, theft, embezzlement or any other deliberate damage to the assets of our customers or any third party. Failure to observe the Code of Conduct can result in considerable damage, not only to our Company, but also to us as employees and to our business partners and other stakeholders. That is why the Code of Conduct is binding on all of us, irrespective of whether our role is that of a staff member, a manager or a Board member. We do not tolerate violations of the Code of Conduct. Anyone who violates the Code of Conduct must expect consequences, which, depending on the seriousness of the violation, can range from action under labour law to claims for damages under civil law, and may even extend to penalties under criminal law. To make sure that does not happen, it is up to each and every one of us to familiarize ourselves with this Code of Conduct, to integrate the Code of Conduct into our own behaviour, and to bear the Code of Conduct in mind when making decisions. When in doubt, we seek competent advice.

3



our
values

Competence, Respect and Improvement are the 3 key values that, together with the 6 complementary ones, represent the DNA of the Elmeg brand, the principles that guide the action of all human resources and the mean to test oneself.

COMPETENCE

flexibility

Competence is the main value through which Elmeg has won its part of the reference market.

On the relationship base it becomes reliability, the ability to respond on time and with adequate quality standards, but it also means flexibility, the ability to adapt quickly to the needs of the customer, to model ourselves to its needs.

responsibility

RESPECT

responsibility

Respect is for Elmeg a fundamental component of his way of being, even before acting or working. Respect means the ability to listen, to understand diversity, for the person, the customers, the suppliers and the reference communities. Responsibility is a fundamental factor to build respect; it means evaluating the repercussions of one's actions and fully taking the consequences. Availability is the ability to be informal and friendly, when necessary, to know how to break the lines when possible and appropriate, to astonish the interlocutor and to welcome his point of view.

availability

IMPROVEMENT

training

Improvement represents the constant desire of being unsatisfied with our own results, the tension towards excellence, performance and innovation. At company level, the tension towards improvement is deployed with training for all the resources at all levels and in design skill, which means the planning and definition of new solutions, new processes, new products, in collaboration with the Customer.

projects

4



responsibility
as a
member of society

We live, as a company, in a complex system of partners, suppliers and customers, but beyond the natural network of an enterprise we must not forget that we are an important player of our community and of society.

Our social responsibility means that observing and complying with the law is a matter of course.

We have a duty to observe the law under which we operate in all business decisions we make.

Every employee in Elmeg must be aware of his/her social responsibility, particularly as regards the well-being of people and the environment and ensure that our Company contributes to sustainable development.

Human rights

BACKGROUND

The Declaration of Human Rights adopted by the United Nations and the European Convention for the Protection of Human Rights and Fundamental Freedoms state what is required and expected of the international community when it comes to observing and respecting human rights.

CORPORATE PRINCIPLE

We respect, protect and promote all regulations in force to protect human rights and children's rights (hereinafter called human rights) as a fundamental and general requirement throughout the world. We reject all use of child labour and forced or compulsory labour as well as all forms of modern slavery and human trafficking. This applies not only to cooperation within our Company but also as a matter of course to the conduct of and toward business partners.

MY CONTRIBUTION

As an employee, I can also make my contribution to respecting human rights. I regard human rights as a fundamental guideline and I am vigilant against human rights abuse happening around me.

If I have concerns regarding human rights abuse in my professional surroundings, I prevent it and/or stop it. If necessary, I inform my superior or get in touch with any of the contacts listed in chapter 7.

EXAMPLE

You are responsible for purchasing specific goods. You receive information that a supplier with which you do business uses children in their production process, or that employees are made to work in inhumane conditions (e.g. exposed to health risks).

Take the necessary steps and inform your superior. Our Company must examine business relations with this business partner more closely and, if necessary, break them off.

Equal opportunity and equal treatment

BACKGROUND

Equal opportunities and equal treatment are key cornerstones of a fair, unprejudiced and open approach.

We encourage respectful cooperation in a spirit of partnership, diversity and tolerance.

CORPORATE PRINCIPLE

We offer equal opportunities for everyone. We do not discriminate or tolerate discrimination on grounds of ethnic or national origin, sex, religion, views, age, disability, sexual orientation, skin colour, political views, social background or any other characteristics protected by law. We embrace diversity, actively encourage inclusion and create an environment that fosters each employee's individuality in the interests of the Company. As a matter of principle, our employees are chosen, hired and supported based on their qualifications and skills.

MY CONTRIBUTION

I observe the principles of equal opportunity and equal treatment and encourage people around me to do the same. If I see any contravention of the principles of equal opportunity and equal treatment (disadvantagement, harassment or mobbing), I make the persons involved aware of their misconduct. If I am not in a position to influence the events directly, I notify the human resources of the incident or get in touch with any of the contacts listed in chapter 7.

EXAMPLE

You find out from a colleague, who is a friend of yours that an applicant in his department was rejected because of the colour of his skin, although he was the best candidate for the advertised job. Help clarify the situation by reporting the case to the relevant human resources department so that appropriate steps can be taken.

Product conformity and product safety

BACKGROUND

An important number of people can be in contact with final products including Elmeg's products; Elmeg bears a responsibility for preventing, to the extent possible, any risks, detrimental effects and hazards to the health, safety, environment and assets of our customers or any third party arising from the handling and use of these products and services.

CORPORATE PRINCIPLE

For that reason, it is not only our statutory duty but also our mission to comply with the laws and regulations as well as the internal standards that apply to our products. Our products are state of the art and are developed in accordance with legal requirements.

MY CONTRIBUTION

If I notice or have concerns that our products could present a threat or that regulations are not being observed, I take counteraction. I report the matter to my superior and to the relevant contacts in the Company, such as the Product Safety Officer (see chapter 7 contacts list).

EXAMPLE

While checking a part you realize that customers or final user can face Quality problems or safety issues. You are not sure whether or not they are due to a customer or final user wrong use while assembly or operating the product, and you cannot definitively rule out a manufacturing or construction defect. Clarify the matter. It is essential to ensure that our Company will solve a problem for which it is responsible. Even final users mistakes when operating the product may require the Company to respond (e.g. by modifying operating instructions or user training).



Environmental protection

BACKGROUND

Elmeg develops, produces and delivers components worldwide. We are all aware as a Company that we have a special responsibility toward the environment

CORPORATE PRINCIPLE

As a commercial enterprise, we bear responsibility for the environmental compatibility and sustainability of our products, locations and services. We look for environmentally friendly, advanced and efficient technologies and we are continuously focused on reducing our environmental impact working to minimize the risks related to our activities and products. We are a responsible member of society and we pursue the rational use of natural resources and energy.

MY CONTRIBUTION

I bear environmental protection in mind in my work and use resources and energy economically and efficiently. I make sure my activities have the smallest possible impact on the environment and that they comply with applicable environmental protection laws and regulations.

EXAMPLE

You notice that there is a leak in a tank and that significant amounts of chemicals are seeping into the ground. Immediately inform one of the employees responsible and draw attention to the problem. Do not rely on somebody else reporting the leak.

Donations, sponsorships and charity

BACKGROUND

Elmeg can make donations (contributions on a voluntary basis with no expectation of a consideration in return) and grants sponsorship monies (contributions based on a contractually agreed consideration) to achieve a positive impact in terms of our reputation and public perception. In order to avoid conflicts of interest and to ensure standard conduct within the Company, donations and sponsorship measures are permitted only in the context of the respective legal framework and in accordance with the company internal rules.

CORPORATE PRINCIPLE

Elmeg can make donations and donations in kind to support science and research, education, charitable causes, sports, culture and churches and ecclesiastical institutions. We must grant donations only to recognized non-profit organizations or organizations that are authorized by special provisions to accept donations.

The granting of donations and sponsorship measures is permitted only in accordance with a transparent approval by Elmeg general manager.

MY CONTRIBUTION

If I consider a particular sponsorship measure to be worthy of support, I make initial contact with my direct superior who will bring on this proposal so to get to the direct approval of Elmeg general manager.

The granting of donations must be transparent; the purpose, the recipient of the donation, and the donation receipt issued by the recipient must be documented and verifiable. I comply with internal processes and do not initiate any donation that could damage the reputation of our Company.

EXAMPLE

A local politician asks you, a successful Elmeg employee, for a cash donation from the Company for the election campaign. Turn down the request. Donations may be granted only after going through the required approval process. In this specific case, the donation cannot be approved because our code of conducts prohibits donations to political parties, party-affiliated institutions and politicians.

Communication and marketing

BACKGROUND

Elmeg believes it is important to communicate clearly and openly with employees, business partners, and all the stakeholders using honest and lawful means. All our employees recognize the achievements of those they engage with and respect their professional and personal reputation.

CORPORATE PRINCIPLE

We ensure that our communication is clear and consistent to maintain the confidence of customers, and other stakeholders. Before committing to and executing any planned communication or marketing measures, such measures must first be coordinated with the general management of Elmeg.

MY CONTRIBUTION

I do not issue any public statement for my Company and always refer any requests to the General Management. If I make any comments at public, trade or cultural events or on the Internet, I make it clear that I am voicing solely my own personal opinion. I maintain a proper and polite conduct in social networks.

EXAMPLE

You read a comment on the Internet or in social networks from someone who is critical towards Elmeg services, but the points raised are entirely unfounded. Even if you would like to correct the misrepresentation straightaway, contact your direct superior or the general management first, because they are in a position to respond appropriately and comprehensively to such criticism.



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Political lobbying

BACKGROUND

Politics and legislation exert an influence on the economic framework for business processes.

Elmeg's participation in commercial trade means that it also has an impact on society and can specifically promote its interests during decision-making processes such as those for legislation plans. Elmeg promote its interests through Industry association representative only. (e.g. Anfia, Confindustria)

CORPORATE PRINCIPLE

Elmeg is a non-partisan company and does not promote the campaign activity of any political party. It goes without saying that our interaction with political parties and interest groups is based on the principle of neutrality. Dishonestly influencing policymakers and government is not permitted.

MY CONTRIBUTION

I do not attempt to intervene in political decisions on behalf of the Company if I am not authorized to do so. If I am authorized to do so, I observe the relevant aspects of this code of conduct in the performance of my duties.

EXAMPLE

An acquaintance of yours is a member of parliament. You know that a legislative proposal that is important for Elmeg is currently being discussed in parliament and you contemplate contacting your acquaintance to explain Elmeg's interests in connection with this proposal. Do not approach your acquaintance about the issue. Political lobbying in the Company is exclusively done through the Industry association which represents Elmeg's interests.

5



responsibility
as a
business partner

Integrity, transparency and fairness are key to create credibility and trust in business practice.

Elmeg's core values are the cornerstones on which building a transparent and long lasting relation with our business partners.

Our strong sense of responsibility as a business partner specifically gives rise to the following principles:



Conflict of interest

BACKGROUND

There is a potential conflict of interest if the private interests of one of our employees clash or could clash with the interests of Elmeg. Such a conflict of interest may arise particularly as a result of secondary employment. If an employee places his/her personal interests above those of the Company, it could damage the Company.

CORPORATE PRINCIPLE

We respect the personal interests and the private lives of our colleagues. However, it is important to us to avoid conflicts between private and business interests, or even the appearance of such a conflict. All our decisions are made exclusively on the basis of objective criteria and we do not allow ourselves to be swayed by personal interests or relations.

MY CONTRIBUTION

I avoid even the appearance of any conflict of interest and disclose any apparent or actual conflicts of interest to my superior and to human resources. We jointly seek a solution that is not detrimental to the Company's interests.

EXAMPLE

Your boss asks you to review bids from several suppliers of plastic components. You discover that one of the most favourable bids is from the company of a good friend. Inform your superior of the situation and withdraw from the decision-making process to avoid any appearance of a conflict of interest.

Gifts, hospitality and invitations

BACKGROUND

Benefits in the form of gifts, hospitality and invitations are prevalent in business relationships. These benefits are not a cause for concern as long as they are within reason and do not contravene any internal or statutory rules. However, if such benefits exceed what is reasonable and are misused to influence third parties, those involved may be liable to prosecution.

CORPORATE PRINCIPLE

The acceptance of money, money assets, goods or any other benefits from business partners is prohibited.

The acceptance of courtesy gifts is permitted but limited to a maximum of 100 euros per business partner per year.

If a gift is in excess of this limit, or if the value of the gift is uncertain, the gift must be returned. If the gift cannot be returned, inform your immediate superior who shall decide on how the gift shall be dealt with

Invitations to business meals may be accepted only if the invitation is made voluntarily and only if the meal is within reasonable business standard practice.

The invitation must be issued for a genuine business reason and must take place within the normal business framework.

Immediate superiors are to be informed about the frequency of the invitations and the grounds for them being issued.

Business partners are not permitted to sponsor events of the workforce.

Invitations to other events (e.g. sport, cultural, product information, seminars) have to be approved of in advance by the responsible manager.

MY CONTRIBUTION

I familiarize myself with the guidelines on handling gifts, hospitality and invitations, and strictly abide by them. I check my conduct in this regard to see whether there may be any conflicts of interest or whether any could arise.

EXAMPLE

An employee from an Elmeg supplier gives you a valuable birthday gift. Even if you are of the opinion that accepting this gift does not affect business relationships, the value of the gift should not exceed the value set out in the relevant internal guidelines on gifts. When in doubt, do not accept the gift. If you are concerned that rejecting the gift could be misconstrued, contact your superior and agree on a solution with him/her.

Prohibition of corruption

BACKGROUND

Corruption is a serious problem in commercial trade. It generates decisions based on improper grounds and prevents progress and innovation as well as distorting competition and damaging society. Corruption is prohibited. It may incur fines for Elmeg and sanctions under criminal law for the employees involved.

CORPORATE PRINCIPLE

The quality of products and services from our Company is the key to our success. Consequently, we do not tolerate corruption. We grant benefits to business partners, customers or other external third parties only within the permissible legal framework and in line with existing rules.

MY CONTRIBUTION

I never bribe others and I never accept a bribe either directly or indirectly. I take responsibility for informing myself by consulting the code of conduct before I give or accept gifts, issue or accept invitations, or offer or receive hospitality. If I receive any corruption-related tip-offs, I immediately inform my superior and if needed I will find the right support on chapter 7 list.

EXAMPLE

Imagine you prepare a bid for a major contract where a potential customer has issued a call for tender. The relevant decision maker on the customer side offers to influence award of the contract in favour of your company in return for an appropriate consideration. This is corrupt behaviour. Inform your superior about this.

Dealing with officials and holders of political office

BACKGROUND

Dealings with officials or holders of political office, governments, authorities and other public institutions often involve special statutory rules, any individual breach of which may have serious consequences for Elmeg company

CORPORATE PRINCIPLE

Our contacts with officials and holders of political office are strictly in line with all laws and legislation as well as the relevant internal rules concerning the avoidance of conflicts of interest and corruption. We do not make any "facilitation payments". Such payments are sums paid to officials to accelerate routine administration matters.

MY CONTRIBUTION

I am aware that particularly strict rules apply when dealing with public contract awarders and I familiarize myself with these rules. My contact is my superior or the persons in the contact list on chapter 7.

EXAMPLE

You know that an authority is supposed to give Elmeg permission for some facility projects and you receive the information that with "facilitation payment" you can speed up procedure; do not under any circumstances take any such action. Exerting this kind of influence would be illegal. Inform your superior about the situation.

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Prohibition of money laundering and terrorism financing

BACKGROUND

Laws against money laundering and terrorism financing are in place in almost all countries worldwide. Money laundering occurs when funds or other assets originating directly or indirectly from criminal offenses are put into circulation in the legal economy, making their source appear legal. Terrorism financing occurs when money or other resources is/are made available to commit criminal acts of terrorism or to support terrorist organizations. Liability for money laundering does not require the person involved to be aware that money is being laundered through the legal transaction concerned or the transfer concerned. Inadvertent involvement in money laundering may already be sufficient grounds for serious penalties for everyone involved.

CORPORATE PRINCIPLE

We carefully check the identity of customers, business partners and other third parties with whom we wish to do business. It is our declared aim to conduct business solely with reputable partners who operate in line with legal provisions and who use resources from legitimate sources. We assign incoming payments to the corresponding services without delay and post them accordingly. We ensure transparent and open cash flows.

MY CONTRIBUTION

I take no action whatsoever that may violate money laundering provisions at home or abroad. I am vigilant and investigate any suspicious conduct on the part of customers, business partners and other third parties. If there is information providing sufficient grounds for suspicion, I immediately get in touch with the contacts listed in chapter 7. I abide by all applicable provisions for recording and posting transactions and contracts within my area of responsibility in the accounting system.

EXAMPLE

One of the Elmeg's customers in Asia has overpaid and asks for the excess amount to be repaid by transferring it to an account held in Switzerland or by paying it in cash instead of via bank transfer to the original business account. Do not accept the suggestion readily. This kind of request requires an explanation. Ask the customer why the amount cannot be repaid in the same way it was originally paid. Seek advice from any of the contacts listed in chapter 7.

Accounting and financial reporting

BACKGROUND

Elmeg can build and retain the trust of the general public, its shareholders and contract partners only through proper accounting and correct financial reporting. Any irregularities may have serious consequences for the Company as well as for those responsible.

CORPORATE PRINCIPLE

We strictly comply with the statutory provisions for proper accounting and financial reporting. Transparency and correctness are our top priorities.

MY CONTRIBUTION

I organize processes so that all business financial data can be entered into the accounting system correctly and promptly. If I have any questions about the correct recording of data, I contact my superior or the appropriate finance department.

EXAMPLE

You urgently need new equipment. However, the budget for the current fiscal year has already been used up. You consider acquiring the equipment nevertheless and ask to post the cost in the next fiscal year when your budget is replenished. Refrain from taking such action. Entries must always be posted accurately. Posting entries inaccurately may have serious consequences for the company or individual employee.



Taxes and customs

BACKGROUND

Our global operations and the development of new markets mean that we must comply with a raft of different regulations relating to external trade, tax and customs law. Observing tax and customs regulations builds trust with customers, financial authorities and the general public. Any irregularities can cause significant financial damage to Elmeg, also seriously impacting its reputation and having negative consequences for the employees responsible as well.

CORPORATE PRINCIPLE

We are aware of our social responsibility to meet our obligations with regard to taxes and customs, and we explicitly endorse compliance with national and international legislation.

MY CONTRIBUTION

I design internal structures and processes in such a manner as to ensure that the taxes and customs to be paid by the respective Group companies are calculated correctly, promptly and in full, are disclosed in reporting, and are paid to the appropriate fiscal authorities. If I have information concerning the infringement of tax and customs regulations in my area of responsibility, I undertake every action I can to prevent or stop this infringement. If that is not possible, I get in touch with the appropriate contact person in the administration.

EXAMPLE

You are responsible for entering certain business transactions; post the entry in line with legal requirements. All business transactions must be correctly reported pursuant to commercial law and tax regulations because these accounting records form the basis for tax returns. Accounting errors could therefore result in incorrect tax returns and lead to serious consequences under tax and customs law for the Company and the employees responsible.

Fair and free competition

BACKGROUND

Fair and free competition is protected by the applicable competition and antitrust legislation. Complying with this legislation ensures that market competition is not distorted – which is to the benefit and in the interest of all market players. In particular, agreements and concerted practices between competitors intended to achieve or effect the prevention or restriction of free competition are prohibited. Abusing a dominant market position is also inadmissible. Such abuse can, for example, take the form of treating customers differently for no objective reason (discrimination), refusal to supply, imposing unreasonable purchase/selling prices and conditions, or unjustified tie-in arrangements for the requested additional service. Anti-competitive conduct has the potential not only to significantly damage the Elmeg's good reputation, but also to incur severe fines and penalties.

CORPORATE PRINCIPLE

We conduct business solely on the basis of merit and market economy principles, as well as free and unhindered competition. We like to measure ourselves against our competitors, always abiding by rules and regulations and observing ethical principles. We do not enter into any anti-competitive agreements with competitors, suppliers or customers. If our Company holds a dominant market position, we do not abuse this position. We comply with the specific antitrust provisions for distribution systems in our dealings with our authorized distribution partners.

MY CONTRIBUTION

Whenever I come into contact with competitors, I ensure that no information is imparted or received that allows conclusions to be drawn about the informer's current or future business conduct. I avoid conversations or any other contact with competitors about issues that are important among the competition. Such issues include prices, pricing, business planning, development statuses and delivery times.

EXAMPLE

You talk to a competitor's employee at a trade fair. After a while, you notice you are being sounded out for information about the Elmeg's future business planning. In return, the employee offers to divulge the same information about his company. Immediately make it absolutely clear to the competitor's employee

5. Elmeg's responsibility as a business partner

that you will not talk to him about such issues. This type of conversation — apart from the unauthorized disclosure of business secrets — is also a breach of prevailing competition and antitrust legislation and could have drastic consequences for you personally, the Group, and both the competitor's employee and his company. Document this conversation and inform your superior immediately or contact the appropriate person in the contact list on chapter 7.

Procurement

BACKGROUND

Elmeg Group is contractually bound to external suppliers and service providers in its business operations.

CORPORATE PRINCIPLE

We carefully select suppliers and service providers based on objective criteria.

MY CONTRIBUTION

I show no bias in favor of a supplier or service provider without an objective reason, and I avoid any conflict of interest.

EXAMPLE

It comes to your attention that an Elmeg employee would like to commission a supplier without objective criteria. Notify one of the contacts listed in chapter 7 or the purchasing department to ensure that the bid that is most cost-effective for the Company has a chance.

Export and control

BACKGROUND

Export control can impose prohibitions, restrictions, approvals from authorities or other monitoring measures on the cross-border exchange of goods. These provisions under export control legislation apply to technologies and software as well as goods. Apart from exports per se, export controls may also apply to the temporary crossborder transfer of, for instance, objects and technical drawings taken on a business trip, or technical transmissions by e-mail or cloud. Furthermore, any business with persons or companies named in sanctions lists is strictly prohibited, regardless of the delivery process.

CORPORATE PRINCIPLE

We comply with all provisions for importing and exporting goods, services and information.

MY CONTRIBUTION

When making a decision concerning the import or export of products and services, I consciously examine whether the decision may fall under export control. When in doubt, I seek advice from the administration department.

EXAMPLE

You receive an inquiry from a potential customer wishing to place an order with Elmeg to supply products in a country that has been listed as an embargoed country. Clarify the matter by asking the relevant department about export restrictions that apply to the country to be supplied (e.g. a UN embargo) and do not conclude any contracts that bind the Company to export to this country until the issue has been fully clarified.

Prohibition of insider trading

BACKGROUND

Legislation (in Europe, for example, particularly the Directive on Criminal Sanctions for Market Abuse (Market Abuse Directive)) prohibits the use or disclosure of inside information in the trading of shares, other securities or financial instruments. The same applies to recommending or inciting a third party to engage in insider trading and to the unlawful disclosure of inside information. Pertinent national legislation may stipulate further prohibitions. Inside information is information of a precise nature that has not been made public and that, if it were made public, would be likely to have a significant effect on the price of the relevant security or financial instrument.

CORPORATE PRINCIPLE

We handle information pertaining to share performance in accordance with capital market requirements and do not tolerate any insider trading. We may use knowledge relating to insider-relevant projects and processes only internally and may not divulge such knowledge to any outside party, including family members (e.g. a spouse).

MY CONTRIBUTION

I do not engage in insider trading nor do I make any such recommendations to any third party or incite any third party to engage in insider trading. Furthermore, I do not divulge inside information unless this is required during the course of my normal work and I comply with the relevant internal rules. I undertake to familiarize myself with the applicable internal rules. If I have access to inside information, I do not purchase or sell any securities or financial instruments based on this information. This applies to trading with securities or financial instruments in general (i.e. also those of suppliers or customers).

EXAMPLE

You learn through your work with Elmeg that a customer is about to perform the acquisition of a new business and this is going to be announced soon. You know that a very good friend is currently considering whether to sell his shares of this customer. Since the price of above mentioned customer shares will likely rise once acquisition of the new area of business has been announced, you consider telling your friend that he should hold off on selling his shares. Do not tip your friend off under any circumstances. Since the information of which you are aware is not public, but inside knowledge, you are not permitted under any circumstances to share this knowledge with others. Transmitting this knowledge directly or indirectly would make you liable to prosecution.

6



responsibility
in the
workplace

Elmeg respects the laws and regulations on minimum wages and honest remuneration for work, overtime work and other workers' rights, as well as regulations governing working hours, days off and paid leave in each country it operates in. At the same time, we promote employment of the local population as a contribution to regional development.

We recognize the basic right of all employees to establish trade unions and employee representations.

Employee shall treat each other with respect and dignity, encourage cooperation and team work. Each job at Elmeg should be marked by mutual respect. No form of harassment or discrimination on the job shall be tolerated. Any kind of abuse, sexual harassment or any other form of direct, indirect, physical, psychological, verbal or non-verbal harassment is forbidden.

It is in the fundamental interests of Elmeg to protect the health and safety of every employee. The principle of protection and security also applies to employee and customer data as well as company-specific know-how and company assets.

Elmeg responsibility in the workplace specifically gives rise to the following principles:

Occupational safety and healthcare

BACKGROUND

Elmeg is committed to its responsibility for the safety and health of its employees. We provide occupational safety and healthcare in line with the provisions of national regulations.

CORPORATE PRINCIPLE

We preserve and promote the health, performance and job satisfaction of our employees through continuous improvements in the working environment.

MY CONTRIBUTION

I comply with the occupational health and safety rules. I never put the health and safety of my colleagues or business partners at risk. I take all appropriate and statutory precautions to ensure that my workplace always enables safe working. I make an active contribution to maintaining and promoting my health by voluntarily participating in preventive healthcare and health promotion measures.

EXAMPLE

You notice that a machine in your department has an electronic fault. Take the machine out of operation and make sure the "out of order" sign is clearly displayed. Ask the appropriate department to repair the machine because repairing electrical equipment yourself is not permitted and could be dangerous.



Data protection

BACKGROUND

There are special statutory rules to protect privacy when dealing with personal data. As a general rule, collecting, storing, processing and other use of personal data require the consent of the person concerned, a contractual arrangement or some other legal basis.

CORPORATE PRINCIPLE

We protect the personal data of employees, former employees, customers, suppliers and other affected parties. We collect, gather, process, use and store personal data strictly in accordance with legal provisions.

MY CONTRIBUTION

I ensure that personal data is collected, stored, processed or used in any other way only with the consent of the person concerned, under a contractual arrangement or on some other legal basis. All data processing components must be secured in such a manner that the confidentiality, integrity, availability, verifiability and reliability of such sensitive data is guaranteed, and that unauthorized internal or external access is prevented. When in doubt, I can check our Information Security Manual and if still necessary to contact my superior or the Elmeg IT Manager (see chapter 7 list).

EXAMPLE

You have organized a recruiting day for Elmeg with external participants and receive personal data from the participants for it. A colleague asks you to pass the addresses on. Do not pass this data on without consulting one of the contacts mentioned above. As a general rule, data may be used only for the purpose for which it was communicated.

Security and protection of information, know-how and intellectual property

BACKGROUND

Elmeg is everyday dealing with customer confidential information and with its own know how regarding products and processes. This knowledge is the basis of our business success. Unauthorized transmission of such knowledge may lead to extremely high losses for the Company and to consequences under labor, civil and criminal law for the employee concerned. It must be also remembered that Elmeg has with almost every customer and with its suppliers a signed non-disclosure agreement

CORPORATE PRINCIPLE

We are aware of the value of Company know-how and take great care to protect it. We respect the intellectual property of customers, competitors, business partners and other third parties.

MY CONTRIBUTION

I handle all the Elmeg's information carefully and do not disclose it to unauthorized persons. I take particular care with regard to information relating to technical know-how, patents, and trade and business secrets. I will follow Elmeg's internal guidelines in the IT Safety manual.

EXAMPLE

You are involved in the development of an innovative technology. You are to present your development at various Company sites and want to take your laptop, on which the relevant documents are saved, with you for presentation purposes. You intend to go over these documents again on the plane or the train on the way to the individual sites. Ensure that no one obtains knowledge of sensitive information belonging to Elmeg, as this could lead to serious competitive disadvantages. Do not retrieve this type of information in places where third parties can access it or take note of it.



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IT Security

BACKGROUND

Information technology (IT) and electronic data processing (EDP) have become an integral part of everyday life at Elmeg. At the same time, they involve numerous risks, foremost of which are impairment of data processing because of malware (viruses), loss of data due to program errors, and data misuse (e.g. due to hackers). Cybersecurity is relevant for Elmeg.

CORPORATE PRINCIPLE

We respect IT and EDP security and abide by the applicable regulations and our internal IT Safety manual.

MY CONTRIBUTION

I familiarize myself with the applicable IT security regulations and internal IT Safety Manual and observe the rules contained therein. I am aware that unencrypted data exchange (e.g. by e-mail or USB stick) is not a secure means of communication.

EXAMPLE

You are out of the office and are given a USB stick in order to exchange a document at a meeting. Use only Elmeg authorized data carriers or data exchange systems and proceed according to the guidelines for information classification. Arrange for the document to be e-mailed to you, for example. Never open e-mails or attachments that appear to be suspicious or that come from unknown e-mail addresses. That is how you prevent malware from entering the Company network.

Handling company assets

BACKGROUND

Elmeg's tangible and intangible assets serve to help our employees achieve the Company's business objectives and may be used only for business purposes.

CORPORATE PRINCIPLE

We respect the Company's tangible and intangible assets and do not use them for non-business purposes.

MY CONTRIBUTION

I adhere to the Company's rules and exercise great care when handling Company assets; I always ask for permission in case of need of the asset for private use.

EXAMPLE

Your soccer club is planning a party for the end of the year and ask you to bring your company laptop you use for your daily job to play music for the night. This is not allowed since it can be dangerous for computer safety and for data protection. You cannot use company's asset for private use. In case of doubt ask anyway your direct responsible.



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Support

Contacts list

Our first point of contact for any questions or uncertainties regarding the Code of Conduct is our superior.

In addition and locally in our plant we can contact the following people:

Tania Currado

Finance and IT manager

T +39 0141 960046 - tania.currado@elmeg.it

Gianluca Giordano

General Manager/Product Safety Officer

T +39 0141 960046 - gianluca.giordano@elmeg.it

Local contacts:

Dragan Begovic

Serbian Plant Manager

T +381 653305600 - dragan.begovic@elmeg.it

Francesco De Lorenzo

Spain Plant Manager

T +39 345 6846116 - francesco.delorenzo@elmeg.it

Demetrio Martino

Italian Plant Manager

T +39 0141 960046 - demetrio.martino@elmeg.it

Furthermore, we can address complaints and information relating to existing Company rules to the relevant offices.

elmeg.it



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