



c. m. c. cooperativa muratori cementisti ravenna

## CODE OF ETHICS

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**Document approved by Board of Director of Cooperativa Muratori & Cementisti – C.M.C. di Ravenna with resolution of 10<sup>th</sup> October 2003, revised on 7<sup>th</sup> May 2009 and subsequently on 16<sup>th</sup> May 2014**

## **INTRODUCTION**

The “**Cooperativa Muratori & Cementisti – CMC di Ravenna**” (hereinafter referred to as “**CMC**” or the “**Company**”) – founded in 1901 - is the most important building Cooperative in Europe, and operates both in Italy and abroad. It ranks among the major Italian building companies on account both of the significant number of projects it carries out in very field, and the extent of the reputation it enjoys among national and international customers. **CMC** has been operating abroad since 1975 and has thus acquired an experience and know-how, which have contributed to consolidating its presence in different countries.

The Italian Law Decree No. 231, dated 8<sup>th</sup> June 2001, laying down the “Rules governing the administrative liabilities of legal entities, companies and associations - including those which do not have a legal status -, pursuant to Article 11 of Law No. 300, dated 29<sup>th</sup> Sept. 2000”, introduced into the Italian legal system a series of administrative liabilities targeting above entities in case of offences – a list of which has been expressly drawn up – committed by natural persons in their own interest or to their own advantage while holding officially or *de facto* representative, administrative or executive positions, i.e.: individuals falling under either the management or the control of any of the above entities. However, according to Article 6 of the afore-said Decree, the entities as listed above are not held responsible for such offences only if before their commission they adopted and effectively implemented “organisational and management models conceived in such a manner as to prevent offences of the same kind as those that have been committed”. These models must also call for the setting-up of an internal Supervisory Board to monitor the operation and effectiveness of, and the compliance with corporate organisational models and update them.

Within the scope of its guiding and co-ordinating activities, the Associazione Nazionale Cooperative Produzione e Lavoro (National Association of Production and Labour Cooperatives, hereinafter referred to as “A.N.C.P.L.”) issued guidelines, which highlight the importance of a Code of Ethics as an essential element of the organisational models adopted by companies under the terms of the Law Decree No. 231/2001. The Code of Ethics is thus to be intended as an official corporate document - approved by the company’s top management -, which encompasses all the rights, duties, liabilities, and conduct rules that companies apply - also independently of or in addition to law provisions - to the so-called “interest holders” (i.e.: employees, suppliers, customers, Public Administration, and so forth).

A.N.C.P.L. has also singled out some essential principles - to be included in Codes of Ethics - underlying the conducts deemed as relevant under the terms of the Law Decree No. 231/2001. These principles are the following: a) the entity must regard the compliance with the laws and regulations in force in all the countries it operates in as an unailing principle; b) corporate operations and transactions must be legitimate, consistent, appropriate, verifiable, duly authorized and recorded in the corporate accounting books; b) the entity shall adhere to a series of basic principles when dealing with third parties (e.g. Public Administration and Officials).

**CMC** is therefore aware of the fact that the adoption of a Code of Ethics, which sets out the principles governing the conduct of the Company and its personnel – to be intended in broader meaning of the term -, and clearly defines – also in terms of transparency - the values the Company adheres to in order to achieve corporate targets, is of the essence in order to carry out its corporate activities in a correct way and to avoid or detect unlawful activities under the terms of the Law Decree No. 231/2001.

To this end the present document (hereinafter referred to as the “**Code**”) has been approved by the Board of Directors and adopted by the Company. Beside its scope of avoiding unlawful conducts under the terms of Law Decree No. 231, its compliance is deemed as an essential condition to perform the Company’s operations correctly, to safeguard the Company’s reliability, good name and image, and increase customers’ satisfaction. All these factors are considered as fundamental for CMC’s present and future success and development.

The Code encompasses principles such as professional competence, entrepreneurship, legitimacy, honesty, transparency, reliability, equal opportunities, impartiality, loyalty, correct behaviour and goodwill. These principles shall underlie both the activity and the conduct of the Company and its employees as well as of those individuals who partake in CMC’s operating activities, and shall be considered as an integral part of the conduct that the Company has to keep under the terms of applicable law provisions and the obligations stemming from collective bargaining.

All corporate employees as well as those who partake in CMC’s operating activities are required both to take cognisance of the Code and actively contribute to its enforcement. To this end the company commits – within its sphere of competence - to ensure a thorough dissemination of the Code and plan training sessions aimed at awakening individuals concerned to the contents of the Code.

Through an internal body, i.e.: the Supervisory Board referred to in Article 26 below, the Company will exert its control over the compliance with conduct rules set out in the Code.

CMC embraces, supports and enacts, within its sphere of influence, the ten basic principles concerning human rights, labour standards, the environment safeguard and anti-corruption set by “United Nations Global Compact” in order to promote sustainability and social responsibility.

## **GENERAL PROVISIONS**

### **Article 1 – Extent of the Application of the Code of Ethics**

1. The Company, its subsidiaries and allied companies (hereinafter referred to as the “**Group**”) <sup>1</sup> commit to run its activities by adhering to the values and principles set out in this Code. This commitment rests on the belief that integrity, honesty, correct behaviour and goodwill are essential factors for the company’s long-lasting success. To this end, when taking up the post or signing employment or co-operation contracts, the Group’s organs, executives, employees, co-operators and all individuals acting on the behalf of the Group (hereinafter referred to as “**Addressees**”) shall commit to comply with the provisions set out in the Code while they are engaged in activities pertaining to the Group.

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<sup>1</sup> Companies under specific legislation, Italian or foreign.

2. Without prejudice to religious, cultural and social identities, the Code applies both in Italy and abroad and is susceptible of being modified as deemed necessary in the light of the cultural, political, social, economic and commercial conditions of the different countries the Company and the Group operate in also through purpose companies or temporary teams of companies.
3. Independent contractors - such as consultants and agents - and business partners must act consistently with the provisions included in this Code, or - at any rate - adopt a conduct falling into line with the general principles set out in the Code.

## **Article 2 – Dissemination and Implementation of the Code**

1. The Group commits to
  - a) disseminate as extensively as possible the contents of this Code also by resorting to the Company's Internet and/or Intranet sites;
  - b) plan information and training sessions as well as any other activity enhancing the awareness of the Code's contents;
  - c) schedule routine checks so as to assess the extent to which the Code provisions are abided by;
  - d) update the Code on a regular basis so as to reflect the Company's economic, financial and commercial developments, changes in the organisational chart and management, and in the light of the violations detected through monitoring activities.
  - e) envisage actions apt to prevent violations of the present provisions from occurring, implement appropriate disciplinary measures, and – in the event of violations – impose them immediately .
2. When acting with third-parties, Addressees shall
  - a) provide exhaustive and timely information on the obligations and commitments stemming from this Code to all the individuals having relationships with the Group.
  - b) seek either the commitment of suppliers, contractors, sub-contractors, consultants and all individuals having contractual relationships with the Group to the provisions set out in this Code or, at any rate, the adoption of a conduct falling into line with the principles herein included.
  - c) report to the Supervisory Board (referred to in Article 26 below) any conduct violating the provisions of this Code.

## **Article 3 – Principles Underlying the Company's Operations**

1. While observing principles of mutuality, which governs the Company, the Group's main target is to deliver additional value to all members by pursuing better economic, social and professional conditions within its corporate activity. To this end, in carrying out its activity the Group shall
  - a) ensure and promote a strict compliance both with the laws and regulations in force in any country the Group operates in, and the principles which commonly govern business conducts such as transparency, loyalty and correct behaviour;

- b) ensure and promote within the Group the strict compliance with all organisational rules and procedures adopted by the Group, particularly the rules enforced in view of preventing offences from being committed;
- c) promote and seek the commitment of customers, third companies' personnel and executives carrying out joint or interrelated activities – even on a temporary basis - with the Group to all laws, regulations, principles, and organisational rules and procedures referred to in the points above;
- d) avoid any unlawful conduct or any conduct which is contrary to the principles mentioned above, particularly discriminatory acts, when dealing with Public Administrations, Public Supervisory Authorities, employees, customers, stakeholders and competitors;
- e) adhere to the principles of transparency and reliability when dealing with third parties and the community in general, while preserving the competitiveness of the Group's activities and services;
- f) ensure the respect for employees and co-operators' professional competence, physical and moral integrity; secure full environment protection and occupational safety;
- g) avoid, prevent and repress discriminatory behaviour based on sex, age, sexual orientation, race, national origin, social and economic conditions, creed, philosophical ideals and political affiliation.

2. Failure to comply with above principles when conducting business activities adversely affects the trustful relationships between the Group and its privileged interlocutors: the "stakeholders", i.e.: individuals, groups or entities whose support is needed in order to pursue the Group's "mission" or sharing an interest in its pursuit.

Under no circumstance may the Group pursue advantages or interests entailing unlawful conducts or conducts that are contrary to the laws in force and the principles set out in this Code.

3. Addressees and Co-operators commit to avoid any circumstance where individuals concerned are involved in an actual or potential conflict of interest.

Within the scope of this Code, a conflict of interest is to be intended as any circumstance where Addressees pursue interests that differ from those pursued by the Group - thus violating the provisions of this Code -, or interfere with the Group's correct and transparent decision-making, or take personal advantage on the opportunities made available to the Group, or have ties with individuals involved in a conflict of interest.

Far from being exhaustive, the following are examples of what can be regarded as a conflict of interest:

- a) any stated or hidden interest held by employees or independent co-operators in companies run by suppliers, customers and competitors;
- b) the use of one's authority or office to pursue interests which are contrary to those pursued by the Group;
- c) the use of information received in the course of duty for personal purposes or to third parties' advantage or for any purpose adversely affecting the Group's interests;
- d) any work or intellectual service rendered to customers, suppliers and third parties, or susceptible of being detrimental to the Group's interests;
- e) negotiations and/or contracts in the process of being entered into or finalised or concluded with the Group where a corporate employee's immediate relatives or associates - or any individual connected with him/her - are designated as the Group's counter-parties

## **Article 4 – Quality System**

- 1) The Company constantly monitors all factors determining the quality of offered services so as to keep quality levels up while endeavouring to upgrade them. To this end CMC has adopted a Quality Management System, which is certified to be UNI EN ISO 9001/2000 compliant. The basic requirements of this system are listed in the Quality Manual, which also includes the Quality Policy, i.e.: the principles governing CMC's quality. Information on these principles is divulged through the intranet site, e-mails and notices displayed in workplaces.  
Through the Quality Management System it is possible to single out CMC's main processes - i.e.: all execution-related activities and services directly connected with them - and their interactions. The constant monitoring of these processes shall serve the purpose of highlighting all specific areas calling for improvement in order to ensure customers' satisfaction without fail and meet applicable standards.  
The documentation pertaining to the Quality Management System consists both of standard corporate documents, i.e.: Quality Policy and Targets, Quality Manual, Map of Processes, General Quality Procedures, Specific and Operational Quality Procedures, and documents applying only to specific work orders (i.e.: Quality Planning and Quality Control Planning).  
Updated standard documents will disseminated through the Intranet site.

## **ACCOUNTING TRANSPARENCY AND SYSTEM OF INTERNAL CONTROLS**

### **Article 5 – Accounting Records**

1. The Group's accounting operations complies with commonly accepted principles such as truthfulness, accuracy, exhaustiveness and transparency of the recorded data.
2. Addressees undertake to avoid any wilful or neglecting act, which directly or indirectly violates prescriptive principles and/or internal procedures governing bookkeeping and the public use of accounting records.  
Particularly, Addressees undertake to co-operate so as to have all operations and transactions promptly and duly recorded in the corporate accounting books in compliance with applicable laws and accounting principles and, if necessary, seek for due authorisation and verification.  
Addressees must keep and produce all documentary evidence relating to the operations and transactions that have been carried out so as to
  - a) have accurate accounting records;
  - b) determine immediately underlying purposes and characteristics;
  - c) retrace the formal terms and chronological order of the operations and transactions that have been carried out;
  - d) verify the legitimacy, consistency and appropriateness of any decision, authorisation and accomplishment, and identify the equivalent responsibility level.

3. If an Addressee becomes aware of a false, inaccurate or missing entry in the accounting records or supporting documents, he/she shall alert at once his/her line manager and the members of the Supervisory Board.
4. The Group undertakes to schedule training and updating sessions in order to inform Addressees on the rules (law provisions, regulations, internal rules, trade association rules) governing the issuance and handling of accounting records.

## **Article 6 – System of Internal Controls**

1. The Group undertakes to promote amongst all corporate units a control-oriented mentality. The positive perception of internal controls improves considerably the efficiency of the Company.
2. Internal controls consist of all the instruments that the Company avails itself of in order to: address, manage and monitor corporate activities so as to ensure their compliance with laws, corporate procedures and provisions; protect corporate assets; run corporate activities efficiently, and produce accurate and exhaustive accounting and financial data.
3. All corporate units shall contribute to setting up an efficient and reliable system of internal controls. To this end the Group's employees – within the scope of their duties and positions - shall be responsible for the correct implementation of the control system.
- 4.

## **MANAGEMENT'S CONDUCT CRITERIA**

### **Article 7 – General Principles**

1. The Group's members of the Board of Directors, auditors, executives and functional foremen shall comply with this Code, adhere to values such as honesty, loyalty, correct behaviour and integrity, and knowingly share the Group's mission.
2. It is the duty of the members both of the Board of Directors and Top Management to enforce the principles included in the present Code while strengthening all the feelings of trust, cohesion and mutuality underlying corporate operations. To this end the Board of Directors shall refer to the values outlined in this Code when establishing corporate targets.

### **Article 8 – Conflicts of Interest**

1. The Group's members of the Board of Directors, auditors, executives and functional foremen must not carry out any activity that might be detrimental to the Group's interests. By virtue of the principle calling for complete transparency towards "stakeholders", all individuals as indicated above are requested to assess any such circumstance with the utmost rigour.



In the event that an internal or external conflict of interest or a potential conflict of interest has been disclosed, the individual concerned shall refrain from the conduct that gives rise to the conflict of interest, and report the circumstance to the members of the Supervisory Board, who shall ascertain the existence of any incompatibility or prejudice.

2. The Group's members of the Board of Directors, auditors, executives and functional foremen shall abide by such principles as loyalty, correct behaviour and transparency when submitting expense reports. To this end they undertake both to have full knowledge of and comply with the Group's internal procedures specifically adopted for this matter. In particular they shall submit expense reports either complete with all necessary supporting documents or susceptible of being documented.

## **PERSONNEL POLICIES**

### **Article 9 –General Principles**

1. The Group acknowledges the importance of human resources and is firmly persuaded that the main factor determining the success of any company lies in the contribution given by all corporate employees, who are asked to perform their work with professional competence, dedication, loyalty, honesty and spirit of co-operation.  
The Group undertakes to ensure working conditions that safeguard employees' mental and physical integrity and where employees are respected as moral beings. The Group shall avoid any discriminatory act or behaviour, undue pressures and inconveniences.  
The Group refuses every kind of child labour.
2. All decisions made by the Group with regard to management - employees and co-operators relationships shall be based on merit and professional competence criteria. No discrimination, nepotism and favouritism shall be allowed in the selection, hiring, training, management, career development and determination of rates of pay of corporate personnel.
3. The Group's management shall seek the commitment of all functional foremen, employees and co-operators to act consistently with, and enforce the provisions mentioned above.

### **Article 10 – Personnel selection**

1. The selection of applicants for vacant positions shall be based upon a consideration of their qualifications for the corporate positions to be filled. Selection procedures shall not infringe applicants' right to equal opportunities.
2. Applicants shall only be asked information intended to verify requested qualifications and aptitudes without interfering with applicants' private life and personal beliefs.

3. All new employees shall be hired under regular employment contracts. Any work contract, which is inconsistent with law provisions and collective bargaining agreements shall not be allowed.

## **Article 11 – Personnel Management**

1. Assignments and/or appointments to corporate positions shall be based upon a consideration of individuals' skills and competence in light of the Group's requirements. General criteria of corporate efficiency permitting, the Group shall promote a flexible corporate organization, which shall make it easier for employees to meet the needs arising from maternity and childcare.
2. All corporate decisions pertaining to personnel management and development (e.g.: selection of employees for the purpose of promotion, transfer or payment of incentives to achieve corporate goals) shall be based upon a consideration of employees' professional skills in the light either of planned targets or reasonably expected results, and merit-related criteria.
3. Functional foremen undertake to resort to and enhance all available professional skills so as to afford career and experience opportunities to its employees by envisaging appropriate work methods such as job rotation, support by senior employees and assignment of duties involving more responsibility. Employees shall be involved in discussions and decisions concerning the achievement of corporate targets. To upgrade the Cooperative's processes aimed at ensuring a democracy-based participation - as indicated both in the Articles of Association and Corporate Affairs Regulation - employees shall take part in these activities with a spirit of cooperation and by exerting their independent judgement.
4. Addressees must not use their authority or office to lay claim to subordinates' performances, personal favours or acts, which are detrimental to subordinates' dignity, professional competence and autonomy or violate this Code of Ethics.

## **Article 12 – Safety and Health**

1. The Group shall spread and uphold an occupational health and safety culture in all workplaces by awakening all employees to hazard recognition and responsible behaviour.  
The Group's behaviour towards employees and co-operators shall be consistent with the provisions laid down in Law Decree No. 81 dated 9<sup>th</sup> April 2008 and any further regulation governing the specific activity and workplace.
2. For the purposes outlined above, the Group undertakes – *inter alia* – to provide technical and organisational assistance in order to
  - a) monitor constantly the hazards and critical aspects of those processes and resources calling for protection;
  - b) employ technologies apt to prevent any hazard from adversely affecting workers' health and safety.
  - c) check on and update all work methods
  - d) plan information and training sessions.

3. Within the scope of their duties, Addressees shall take part in the actions aimed to ensure the prevention of hazards and healthy and safe conditions to all employees, co-operators and third parties.
4. In order to fulfil such aims, CMC has introduced an "Occupational health safety management system" certified in accordance with OHSAS 18001/2007 rules. The basic requirements of such system are stated within "Occupational health safety Manual" in which it has been inserted the Health and Safety Policy, which diffusion is assured within organization and among stakeholders, by the publication on website and/or e-mail transmission and/or notice boards at its workplace. The overall structure of the documents of "Occupational health safety management system" is constituted by company's standard documents like: "Policy and targets", Occupational health safety Manual, "Company regulations", "Risk assessment documents", "Safety procedures", "Safety guidelines" and by application documents of the single job orders "Safety Plans". The diffusion of the whole standard and up to date documentation is granted by publication on Company's intranet site.

### **Article 13 – Protection of Individuals**

1. The Group undertakes to safeguard the moral integrity of its employees as well as employees' right to working conditions, which ensure the respect of their dignity. To this end, the Group demands that internal and external work relationships be not affected by psychological violence, discriminatory acts or conducts, and any attitude and conduct proving detrimental to individuals and individuals' beliefs or orientations.
2. The Group shall not allow sexual harassment, derogatory remarks or conducts susceptible of upsetting individuals.  
The following circumstances are to be intended as sexual harassment:
  - a) the granting of work benefits is linked to the acceptance of sexual favours;
  - b) proposals of private interpersonal relationships - irrespective of recipient's express or reasonably evident disagreement -, which upset recipient by reason of the specific circumstance, and objectively interfere with his/her work performance.
3. Addressees who regard themselves as victims of sexual harassment or discriminatory acts on the basis of their sex, race, health conditions, national origin, political affiliation, creed, must alert the members of the Supervisory Board, who shall investigate into the circumstance and take all necessary steps in agreement with the corporate management.

### **Article 14 – Employees' Duties**

1. Employees and co-operators undertake to
  - a) adhere to such principles as professional competence, transparency, correct behaviour and honesty when performing their work; contribute towards achieving the Group's *mission* by co-operating with fellow workers and co-operators, and meeting all legal, statutory and contractual obligations. In particular they shall abide by the provisions set out in this Code.
  - b) issue intelligible and exhaustive documents so as to enable, if required, authorized individuals to check them.

- c) adhere to such principles as loyalty, correct behaviour and transparency when submitting expense reports. To this end Addressees undertake to take cognisance of, and comply with applicable internal procedures. In particular they shall take care of submitting expense reports either complete with all necessary supporting documents or susceptible of being documented.
  - d) refrain from exploiting the Group's name and reputation or abusing of their position for personal purposes.
2. Employees and co-operators shall neither carry out activities giving rise to a real or potential conflict with the Group's interests nor take personal advantage on business opportunities they shall become aware of in the course of their duty. In the event of a real or potential conflict of interest - see article 3, point 3, above - the Group's employees and co-operators concerned shall refrain from the conduct that gives rise to the conflict and report the circumstance both to their line manager and the members of the Supervisory Board, who shall ascertain the existence of any incompatibility or prejudice on a case-by-case basis.
  3. All employees and co-operators shall perform their work diligently so as to protect corporate assets and adopt a behaviour that is responsible and consistent with the corporate procedures and directives concerning the use of assets. Particularly employees and co-operators shall
    - a) use corporate assets under their control with care and only when strictly required;
    - b) avoid any improper use that might damage corporate assets and facilities, reduce their efficiency or – at any rate - prove to be contrary to the Group's interest.
  4. As to data-processing systems, all Group's employees and co-operators shall use the hardware and software equipment made available to them only for the purpose of performing their duties. Particularly, all employees and co-operators undertake to
    - a) adhere painstakingly to the procedures included in the corporate policies on safety so as not to impair the operation and protection of data processors,
    - b) refrain from making unauthorized copies of the software programmes loaded on data processors,
    - c) refrain from sending threatening or injurious e-mail messages, using crude language, or expressing inappropriate remarks susceptible of upsetting recipients or adversely affecting the corporate image.
    - d) refrain from visiting Internet sites, which are not strictly connected with the duties performed by Addressees.
  5. The Group forbids Addressees and co-operators to impair the operation of data processors and telecommunications systems and/or to alter the data therein contained so as to derive an unlawful gain thus causing damage to Public Administrations.
  6. Without prejudice to the prohibition to smoke in all the workplaces equipped with no smoking signs, the Group shall address the "second-hand smoke" issue with due care - particularly in shared areas - by taking into the utmost consideration the condition of those employees who report feeling physical distress at the presence of smoke and therefore apply for appropriate protection.

## **BUSINESS ETHICS**

### **Article 15 – General Principles**

1. Spirit of co-operation, social responsibility and consistency with corporate and Group policies, as well as national and international laws shall govern Addressees' individual and collective conducts when performing operations aimed at achieving the targets of any Group's business unit.
2. The Group is therefore aware of all national and international law regulations aimed at preventing the practice of private corruption. Each of the Group's employees shall refrain from:
  - a) promising, offering or granting, directly or through an agent (middleman), an undeserved advantage of any kind to a person, for itself or a third party, employed as director or whatever other role within a private sector entity so that an action or the omission of an action be carried out in breach of a duty.
  - b) applying or achieve, directly or through an agent, an undeserved advantage of any kind namely to accept the promise of such advantage, for itself or a third party, employed as director or whatever other role within a private sector entity so that an action or the omission of an action be carried out in breach of a duty.
3. Any gift going beyond the common bounds both of courtesy and business practices shall not be allowed. This provision applies to promised, offered and received gifts. The definition of gift also encompasses any kind of benefit, e.g.: job offers, debt remittals, services provided at no charge or at lower market prices, and so forth. The Group shall refrain from complying with practices, which are prohibited by law, or business customs or codes of ethics – provided that the Group is aware of them - issued by companies and entities in contractual relationships with the Group. Any offer of gifts other than items of very small intrinsic value made in the name of the Group shall be subjected to the approval of the individual's line manager and reported to the members of the Supervisory Board.
4. If in the course of their duties and on the occasion of special festivities, Addressees receive gifts other than items of a small intrinsic value or are offered any kind of benefit, they shall promptly report the circumstance – in compliance with adopted procedures - to their line manager and the members of the Supervisory Board, who shall decide on the appropriateness of such offer and, should it be the case, return the gift to the sender, who shall be informed on the policy the Group adheres to with regard to gifts, gratuities and benefits.

### **Article 16 – Business Relationships with Customers and Private Contract Awarders**

1. The Group's main target consists in fully meeting the requirements of its public and private contractual counter-parties and engaging with them sound relationships based on correct behaviour, honesty, efficiency and professional competence.

2. Although the Group is not biased against any particular customer or category of customers, it shall not enter into business relationships – either directly or indirectly – with individuals who are connected or suspected of being connected with the organized crime, or involved in unlawful activities such as - by way of example - money laundering, drug trafficking and loan-sharking.

### **Article 17 – Business Relationships with Suppliers and Sub-contractors**

1. The Group's relationships with suppliers and sub-contractors shall be based on principles such as correct behaviour, professional competence, efficiency, earnestness and reliability.
2. Suppliers and sub-contractors are selected according to procedures based on objective criteria. These procedures take into account – inter alia – factors such as economic convenience, technical skills, reliability, quality of materials, compliance with the Group's quality procedures, suppliers and sub-contractors' credentials  
In any case, it is mandatory for all offices involved to grant – whenever possible – equal opportunities to all suppliers who meet corporate requirements. The procedures adopted to select suppliers also call for routine checks to verify whether or not suppliers still possess requested qualifications.
3. In dealing with suppliers and sub-contractors, Addressees shall not accept sums of money, gratuities, or special treatments, which violate the provisions under article 16, point 2, above. In the event of any such offer Addressees shall report it both to their line manager and the members of the Supervisory Board.

Likewise, suppliers and sub-contractors shall not be offered gratuities or special treatments, which violate the provisions under article 165 point 2 mentioned above. The Group shall ensure that all corporate purchases meet transparency and efficiency criteria by keeping the duties of the corporate unit needing the supply separate from those of the corporate unit placing contracts with suppliers, and acquiring all documentary evidence relating to the Group's choices.

### **Article 18 – Assignments**

1. With regard to assignments, the Group shall base its choices on such criteria as economic convenience, transparency and correct behaviour. Moral and professional integrity of all the co-operators awarded with assignments shall also be taken into consideration.
2. The fees and/or sums of money paid to third parties awarded with any kind of assignment shall be proportionate – also in the light of market conditions – to the activity that has been carried out and supported by documentary evidence.
3. In awarding assignments, Addressees shall not accept sums of money, gratuities or special treatments, which violate the provisions under article 15, point 2. Any such circumstance must be reported both to Addressees' line manager and the members of the Supervisory Board. Conversely, third parties who have being awarded assignments are not to be offered gratuities or special treatments, which violate the provisions under article 15, point 2 mentioned above.

## **Article 19 – Business Relationships with Public Administration and Government Customers**

1. Business relationships engaged by the Group with Public Administrations, public officials or individuals in charge of public utilities shall be in strict compliance with applicable law provisions and regulations and under no circumstance may the Group's integrity and good name be adversely affected.
2. The undertaking of commitments and the handling of any kind of contact with the Public Administration, public officials or individuals in charge of public utilities fall within the scope of specifically designated offices and authorised employees. The individuals concerned shall diligently keep all documentary evidence pertaining to the procedures that have determined the Group's contacts with the Public Administration.
3. Without prejudice to the provisions under article 16, point 2, in the event of negotiations or relationships – including those having no business nature – with public officials, Addressees shall refrain from
  - a) making, either directly or indirectly, job or business offers to the public official involved in the negotiation or relationship in question, or his immediate relatives, or any individual directly connected with him/her;
  - b) offering, either directly or indirectly, gifts, gratuities or benefits other than demonstrations of courtesy of small value to any of the individuals listed under point a) above;
  - c) trying to extort, either directly or indirectly, confidential information from a public official;
  - d) supporting the criminal behaviour of Public Officer through any kind of payment, in order to avoid a damage or to gain an unlawful advantage.
4. Demonstrations of courtesy such as gratuities, consideration in kind, or any other benefit exceeding a small intrinsic value shall be allowed only under the terms of the provisions set out in article 16, point 2.

## **Article 20 – Business Relationships with Public Supervisory Bodies and Authorities**

1. Addressees undertake to abide by all provisions issued by competent Bodies and Authorities to enforce the compliance with the rules governing the specific field of activity.
2. In the course of preliminary stages, the Group shall not submit to Public Supervisory Bodies and Authorities any application, which includes untruthful statements for the purpose of receiving public grants, contributions or easy financing, unduly obtaining permits, authorizations, licences or other administrative acts.  
Likewise, when taking part to activities of public relevance, Addressees and co-operators shall abide by law provisions and good business practises; in particular they shall not induce members of the Public Administration into unduly acting in favour of the Group.  
Addressees shall make sure that all public grants, contributions and funds awarded to the Group are actually employed to carry out those activities or initiatives for which they were obtained.

3. Addressees undertake to comply with any request made by Public Bodies or Authorities in their capacities of supervisory agencies and, upon request, to fully cooperate with them.
4. With regard to conflicts of interest and principles governing contractual relationships with Public Authorities, applicable provisions are set out under Article 20 of this Code.

### **Article 21 – Relationships with Political Organisations and Trade Unions**

1. The Group may provide – directly, indirectly or in any other way – contributions to political movements, committees, associations and so forth under the terms of applicable regulations.  
All contributions shall be provided in strict compliance with applicable laws and regulations; and all pertinent files must include all supporting documents.
2. In the event of any participation – also in financial terms - in specific projects, which do not fall under the cases referred to in point 1) above, the Group shall seek the authorization of the Board of Directors and Management, and report the circumstance to the Supervisory Board.

### **Article 22 – Contributions and sponsorships**

1. Without prejudice to the provisions under article 22 above, the Group may meet requests or applications for contributions or sponsorships submitted by regularly incorporated associations (i.e.: possessing certificates of incorporation and articles of association) that are engaged in cultural, beneficial and re-creational activities of great relevance at national level or whose activities are based on the involvement of a large number of citizens in connection with particular environment issues.
2. Only those social, environmental, sporting and artistic activities, which offer guarantees both of quality and earnestness shall be eligible for sponsorship.

### **Article 23 – Environment Protection**

1. The Group undertakes to ensure the protection of environment by reason of its primary importance. To this end, the planning of corporate activities shall be based on endeavours to find a balance between economic initiatives and mandatory environment requirements also for the purpose of securing environment- related rights to future generations.
2. The Group shall endeavour to minimize the impact of corporate activities on the environment and landscape and prevent any hazard from adversely affecting communities and their environment by acting consistently not only with applicable regulations but also with the findings of scientific researches and the experiences acquired in this field.



3. In order to fulfill such aims, CMC has introduced an "Environmental Management system" certified in accordance with UNI EN ISO 14001/2004 rules. The basic requirements of such system are stated within "Environment Manual" in which it has been inserted the environmental conservation policy, which diffusion is assured within organization and among stakeholders by the publication on website and/or e-mail transmission and /or on the notice boards at its workplace. The overall structure of the documents of "Environmental Management system" is constituted by company's standard documents like: "Environmental Protection Policy and target", "Environmental Manual", "Environmental procedures", "Environmental guidelines" and by application documents of the single job orders "Environmental protection plans". The diffusion of the whole standard and up to date documentation is granted by publication on Company's intranet site.

## **CONFIDENTIAL INFORMATION AND PRIVACY PROTECTION**

### **Article 24 – General Principles**

1. The Group undertakes to protect all confidential information – independently of its nature and contents - in its possession (e.g.: any information on employees and third parties, which is generated or collected internally or through business relationships), and avoid any inappropriate use or undue disclosure.  
At all times the internal dissemination of information shall be restricted to the individuals holding an actual interest in its knowledge or use. However, these individuals must refrain from disclosing information in circumstances other than those allowed, and in inappropriate places.
2. The Group shall enforce and update on a regular basis specific procedures relating to data protection.  
In particular the Group commits to
  - a) ensure the correct separation of roles and responsibilities among the employees entrusted with the processing of data and information;
  - b) classify information according to its level of confidentiality and take all appropriate protection measures with regard to each processing stage;
  - c) enter into specific agreements (also pertaining to confidentiality) with all outsiders involved in the processing of data and information or susceptible of coming in contact with confidential information for any reason.
3. Addressees undertake to treat with the confidentiality prompted by circumstances any information received in the course of their duties also for the purpose of protecting the Group's technical, financial, legal, administrative, management and commercial know-how. Particularly, Addressees shall
  - a) collect and process information and data only to the extent that it is needed to perform their duties or to carry out activities related to their duties;
  - b) collect and process information and data only within the bounds of the specific procedures adopted by the Group;
  - c) preserve all information and data in such a manner as to avoid their disclosure to unauthorized individuals;
  - d) disclose data and information in accordance with adopted procedures or upon their line managers' explicit authorization. At all events Addressees shall check that data can be disclosed in the given circumstance;

- e) make sure that there is neither full nor partial restriction to the disclosure of data and information concerning all third-parties connected in any manner with the Group and, if required, apply for their consent.

## **Article 25 – Regulations Protecting Individuals’ Privacy**

1. In compliance with the provisions set out in Decree Law No. 196 dated 30<sup>th</sup> June 2003 “Codice in materia di Protezione dei dati personali” and subsequent modifications, supplements and regulations - hereinafter referred to as “**Privacy Code**” –, the Group undertakes to protect all the personal data collected, preserved and processed within the scope of its activity and business relationships so as to avoid any improper and illegal processing.  
In particular, the Group shall adhere to specific standards in order to
  - a) specify the kind of information that has been collected from the individuals about whom personal data are held, and how these data have been processed and preserved;
  - b) forbid any personal data processing and/or disclosure and/or dissemination without the consent of the individual concerned, save in the circumstances where no such consent is required by law.
  - c) adopt any protection measure susceptible of avoiding the loss, destruction and non-authorized processing of the personal data held by the Group.
  - d) establish rules ensuring that individuals concerned will be able to exercise the rights secured by law.
2. At all events, it is forbidden to carry out any investigation into the personal ideas, preferences, tastes and, generally speaking, private life of corporate employees and co-operators.

## **IMPLEMENTATION OF THE CODE OF ETHICS**

### **Article 26 – Supervisory Board**

1. CMC’s Supervisory Board is charged with the implementation of this Code. Its setting up and the rules governing it fall within the scope of the “Organisation, Management and Control Model” adopted by the Board of Directors with a resolution dated 10<sup>th</sup> October 2003.  
Beside the tasks envisaged by the Organisation, Management and Control Model, the Supervisory Board shall also
  - a) verify the application of and compliance with this Code of Ethics;
  - b) analyse and assess the processes monitoring ethics-related risks so as to promote a greater adherence to the principles governing ethical conducts;
  - c) enhance the knowledge and understanding of this Code of Ethics by planning training and information sessions suiting the purpose. In particular the Board shall ensure the development of ethical education and communication activities, and examine all suggestions to review the corporate operational procedures and directives that have a significant impact on corporate ethics;
  - d) receive and examine all the reports on the violations of this Code, and treat these reports as confidential;
  - e) take appropriate decisions on the violations of the Code’s provisions;

- f) offer counsel whenever operational procedures are reviewed so as to ensure their consistency with this Code
  - g) inform the Board of Directors, Chief Executive and Internal Auditing Committee on the necessity of reviewing the Code's provisions;
  - h) take part in the issuance of operational procedures to be enforced for the purpose of reducing violations of this Code, and promote to the appropriate extent the constant updating of these procedures.
  - i) verify that all the Group's companies enforce and comply with the provisions of this Code by having reports submitted by the Companies' executives, who may also apply for the review of the provisions set out in this Code.
2. The Supervisory Board shall be supported by all corporate offices and shall be granted access to all the documents deemed necessary to perform its duties.

### **Article 27 – Information and Training Sessions**

1. Addressees shall be informed on the contents both of this Code of Ethics and its enclosures in the course of appropriate information sessions.
2. To ensure the correct understanding of the Code's contents, the "Personnel and Organisation Management" – upon the indications provided by the Supervisory Board - shall plan and implement an annual training programme so as to enhance the knowledge of the principles set out in this Code of Ethics. Training sessions shall differ on the basis of Addressees' corporate duties and responsibilities.

### **Article 28 - Violations of the Code of Ethics**

1. The compliance with the provisions set out in this Code of Ethics is an essential part of CMC employees' contractual obligations pursuant to and for the purposes of Articles Nos. 2104 and 2106 of the Civil Code.
2. Failure to comply with above provisions shall represent a breach of the contractual obligations to be fulfilled by employees and co-operators, and may produce legal and contractual effects. As to employees, the Code of Ethics is specifically mentioned in the Group's disciplinary code, which encompasses all the provisions governing the terms and conditions of employment as established by the employer and their implementation, pursuant to Article No. 2104 of the Civil Code.
3. The Company undertakes to impose disciplinary measures that are proportionate to the transgression and applied coherently, impartially and uniformly. However the imposition of disciplinary measures shall occur within the bounds set by law, collective bargaining agreements and corporate affairs rules.
4. The compliance with the provisions of this Code by third parties in contractual terms with the Company forms an essential part of the obligations undertaken with the Group. To this end, every contract shall expressly make mention of the Code of Ethics and copy of it will be given to all the individuals having business relationships with the Group.
5. Failure to comply with the provisions of this Code may therefore represent a breach of the contractual obligations and produce legal effects as well as actions up to the dismissal from employment or assignments and, should it be the case, the compensation for damages.