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BORA

ETHICAL CODE

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INTRODUCTION

Legislative Decree no. 231/2001

Legislative Decree 231/2001 (below also “Decree”), issued on 8 June 2001, contains “Provisions governing the administrative liability of legal entities, companies and associations also without legal status”.

Decree introduced in Italy, for the first time, the liability of entities (below “Entity” or “Entities”) for certain crimes committed – or even just attempted – in the interests of or for the benefit of the entities by persons who are specified in Article 5 of the Decree (persons who have representative, administrative or management functions within the entities, or within an organisational unit of those entities with financial and functional autonomy, and, also, by persons under the management or supervision of one of the persons indicated above). For exemption from liability, Entity should demonstrate that it has effectively adopted and actually implemented the organisation, management and control model (below “Model”) capable of preventing the crimes from being committed.

Bora’s Model and the purpose of Ethical Code

Bora S.p.A. (below also “Company” or “Bora”) has adopted a Model to prevent the crimes listed in the Decree from being committed.

This Ethical Code (below also “Code”) is part of Model adopted by Bora and it sets out the Company’s principles and rules of conduct to which all the addressees of Code must comply. This Code is binding for the Company.

Addressees of the Ethical Code

The Code applies to: members of Bora’s Board of Directors (below as “Board of Directors”); members of Bora’s Board of Statutory Auditors (below as “Board of Statutory Auditors”); Accounts Auditors charged by Bora; Company’s employees, including Directors (all below as “Employees”); all those persons who work with the Company under a kind of relationship different from traditional employment relationship, such as contract workers, temporary workers, interim staff, persons do not belong to the Company, but act directly or indirectly on its mandate or on its interest and behalf, such as legal advisers, consultants (all below “Third Party Recipients”). All the above-mentioned persons are collectively below defined “Addressees” or individually below defined “Addressee”.

All Addressees of the Code must fully comply with the provisions contained within it and to enforce these provisions to all their subordinates. Provisions contain in the Code are binding also for all Addressees who perform their work abroad on interest and behalf of the Company. Compliance with the rules of Code by Employees is part of employment contractual obligation in accordance with Article 2104 and following articles of Civil Code.

Breaches of the Ethical Code committed by Employees are a disciplinary offence and are punished in full compliance with Article 7 of Law 300 of 20 May 1970 (“Charter of workers”), with current legislation, with internal regulations, and with the applicable collective employment contract, namely the “National Collective Employment Contract for workers in mechanical engineering industry”. In case of Non-compliance and forms of conduct by Employees in breach of the rules set out in this Code, Company can bring legal action for damages against Employees.

Dissemination of Ethical Code and training

Communications and training are essential tools for the effective implementation and disclosure of the Ethical Code. Company works hardly to ensure suitable awareness of the Code inside and outside the Company through:

- **distribution of the Code to Board of Directors, Board of Statutory Auditors and Employees;**
- **making the Code available to all in a place easily accessible in the plant;**
- **making the Code available to Third Parties Recipients and any other persons on the Company**

website and/or company intranet.

Supervisory Board appointed by the Company works closely with the Company to promote and verify training initiatives on the principles of this Code, diversified with different degrees of detail based on the level of the staff's involvement in the operational processes considered sensitive and relevant.

Moreover, clauses aimed to comply with the Code and to be aware of sanctions in case of breaches of the Code shall be introduced by Bora in contracts with Third Parties Recipients

STRUCTURE OF THE ETHICAL CODE

Ethical Code is divided into 4 sections:

- **section 1 contains ethical principles which are the essential values of Company's activity;**
- **section 2 contains rules of behaviour for the Addressees;**
- **section 3 relates rules governing relationships between Bora and third parties;**
- **section 4 contains tools for the effective implementation and disclosure of the Code.**

The Code can be modified by decision of Board of Directors, considering also Supervisory Board's suggestions and recommendation.

1. ETHICAL PRINCIPLES

In accordance with Confindustria (Confederation of Italian Industries) guidelines, Bora defines the ethical principles for all Addressees.

Ethical principles are at the basis of all conducts of the Addressees and persons who act on behalf and interest of Bora must comply with the ethical principles of the Company. Breaches of the ethical values are not excused for no reason.

Bora adopts the following ethical principles.

Compliance with the law and regulations

Bora and the Addressees act compliant with the current laws and regulations in Italy and in the other Countries where they work or act for the Company.

Equality and fairness

All decisions are adopted by Bora without consideration of age, gender, race, ethnic, nationality, political or religious discrimination, neither discrimination based on associationism.

Honesty

Company abstains from carrying out illegal and unlawful acts, which are not compliant with the common sense of integrity, honour and dignity.

In relationship with third parties, Bora always acts in good faith and with diligence, respecting all contractual obligations.

Transparency

The principle of transparency is based on truthfulness and accuracy of information disseminate by Bora both inside and outside.

Pursuant to the principle of transparency, all operations and financial transactions shall be verifiable, appropriate, legal. All financial transactions shall be authorized and duly registered to verify the decision process of the transactions.

All the authorized operations shall be properly documented to check at any time the elements of the transactions and to identify the person who has authorised it, carried out and recorded the operation itself.

In accordance to the laws and internal procedure, Company adopts objective criteria for the choice of suppliers, such as quality and economic conditions of potential suppliers.

Other criteria to select a potential supplier is the capacity of the potential supplier to ensure:

- the compliance with the Ethical Code;
- the implementation of proper quality system, if required;
- availability for appropriate business assets and structures.
- compliance with current legislation on health and safety in the workplace, including law about child labour and women labour and law about association rights.

Reliability

Bora observes all contractual obligations to ensure the achievement of promised results, except for the occurrence of force majeure circumstances, which not depend on the Company.

Mutual respect

Mutual respect is at the base of all relationship between Bora and Customers/Supplier or workers or any other involved party. Company bans arrogance, threats, insults or any other conduct aimed to influence the actions of others persons in a way that is contrary to the law or the Code or any other conduct which can be detrimental to personal and moral opinion of other persons.

Cooperation

Company promotes cooperation and mutual collaboration, recognising the value of the human resources employed in order to increase human capital.

Environmental protection and safety

Environmental protection and safety in the workplace are fundamental values for Bora and its business strategies. Company adopts specific policies to comply with these values.

Quality

Bora bases business activity to satisfy its commercial partners producing goods and suppling services with high quality standards, in compliance with Bora's ethical principles.

Competition

Bora considers competition an essential value for the economic and social development of the Country. Production activity in Bora observes the rules of fair competition of the market, where all the economic actors can act with their own business and compete with equal opportunities, adopting competitive prices and offering high quality products.

Spirit of service

Addressees' behaviours must be oriented to the achievement of Company mission which is aimed to make social value and high-quality products available to the community.

Human Resources

Bora recognizes the crucial importance of human resources for business development, encouraging the professional growth of its workers and protecting the moral and physical integrity of its personnel.

Company discourages any kind of influence peddling and nepotism and it bans working relationships with persons involved in acts of terrorism.

Personnel is recruited by Bora trough regular employment contracts and any kind of irregular working relationship is banned by the Company. In case of new hiring, the candidate is informed about all the aspects of the employment relationship. Bora recognizes to employees pay rises and promotions based on individual

skills, in compliance with the law, the National Collective Employment Contract for workers in mechanical engineering industry and this Code.

Mutual respect

Mutual respect is a fundamental requirement for Bora in relationships with any person or entity.

Company does not tolerate bullying, abuse or any kind of threats which can cause an hostile workplace or impede the career development of employees.

Ban of harassment and abuses in the workplace

Physical, sexual, psychological or verbal harassment and abuse or intimidations are not admitted in Bora's workplace.

Harassment and abuse can take the form of written and verbal remarks, gossip, jokes and banter, defamatory or offensive language and comments or bullying in which people in authority abuse their position through insulting, intimidating or malicious behaviour.

In particular, sexual harassment or abuse can take form of any inconvenient request of sexual favours and/or other requests relating to private relationships, from people in authority, in return for a benefit and/or career development.

Ban of alcohol and drugs

Bora bans to its employees to perform their activities if they have taken alcohol and/or drugs, including cases of chronic alcohol and drug addiction. Use of alcohol and/or drugs is banned too during working time.

Smoking ban

Bora safeguards health and industrial hygiene in the workplace, also trough the smoking ban in the plant, except for defined smoking areas, protecting persons from passive smoking.

Confidential information and personal data

Bora's business activities involve the acquisition, storage, process, communication and exchange of data and documents referred to negotiations, operations, projects and contracts between Bora and third parties (Customers and Suppliers) or referred to employees' personal data.

This information can be confidential and its disclosure may cause a damage to Bora and/or to third parties involved.

Bora protects confidential information and personal data through the use of specific and proper technical and organisational tools and devices.

Employees and any other person who represent Bora must protect all confidential information and personal data that they became aware of while performing their functions.

Confidential information about Bora, Customers and Supplier or personal data referred to Bora's employees must be protected, handled carefully and not disclose unless they have been specifically authorised to do so.

Each Addressee must:

- **obtain and process only confidential information and personal data which are necessary for him/her working activity;**
- **store confidential information and personal data in order to prevent the access by unauthorized third parties;**
- **disclose confidential information and personal data compliant with the current law and internal procedures and/or if this activity is authorized by appointed persons;**
- **define the information "confidential" and the data "personal" or "sensitive", in compliance with the current law and internal procedures.**

Bora's procedures are compliant with current European and national law on personal data.

Social and environmental sustainability

Bora recognizes to the safeguard of the environment a crucial role to ensure a long-term responsible growth. Company strategies are defined considering the interdependence of the economic, social, and environmental spheres and, in particular, the effects that a decision in one such sphere has on the others.

Investment and business decisions in Bora are oriented to local sustainable development, supporting eco-compatible growth, also through the adoption of the best technologies and production methods that allow for the reduction of the environmental impact of Company operations. Bora has adopted certified Environmental Management Systems to control its operations, chooses production methods and technologies that reduce waste and conserve natural resources.

Bora's activities must always be compliant with current environmental law and the fraudulent or accidental breaches of this law can never be excused.

2. GENERAL RULES OF BEHAVIOUR FOR ADDRESSEES

Addressees must perform their activities compliant with ethical principles of honesty, integrity, transparency, mutual respect and, in general, with the current law and internal regulations and procedures.

Each Addressee must carry out him/her working activity with professionalism, on the behalf of Company's renown.

Conflict of interest

Conflict of interest is a situation where a personal or private interest of an employee, a Board of Directors' member or an internal auditor appears to be incompatible with the interests of Bora.

Addressees cannot perform their working activities which can be considered conflicting or potentially conflicting with interests of the Company.

Company does not admit that Addressees use for their personal or private interest sensitive information about Bora or business opportunities that they became aware of while performing their functions.

Protection of Company's Assets

All Addressees must safeguard Company's assets and protect all Bora's properties, including IT resources, the final products, information and know-how of Bora.

Each Addressee must:

- **use Company' assets observing internal policies and safety procedures in order to prevent unauthorized use or theft of them or IT system attacks;**
- **abstain from inappropriate uses of Company's assets to avoid damages to Bora;**
- **keep confidentiality of confidential information about Bora and/or commercial partners of the Company;**
- **use an appropriate, educate and professional language in working communications;**
- **keep safe passwords and any other code to access at company's devices;**
- **not duplicate Company's software nor use Company's devices for private purposes;**
- **safeguard Company's assets at him/her disposal and he/she must promptly inform the supervisor about risk of events that can be caused damages to Company' assets.**

Reputation

Good reputation of the Company is an immaterial and essential Company's asset which must be protected by each Addressee both in internal and external relationship.

General rules of behaviour for corporate bodies

Bora's corporate bodies must perform corporate activities observing the current law, Company's charter, Bora's Model and Code.

In detail, corporate bodies' members must:

- **display fairness and correctness in relationships with public administration, political parties, private stakeholders and any other national or international company and association also without legal status;**
- **conform their behaviour to integrity and sense of responsibility with regard to the Company;**
- **duly and well-informed participate at corporate bodies' meetings;**
- **share and pursue Company mission;**
- **abstain from being in a conflict-of-interest situation with Bora;**
- **cooperate – and in any case not impede – supervisory or audit activities by Bora's corporate governance, including shareholders, Supervisory Board and Accounts Auditors;**
- **keep confidential all information that they became aware of while performing their functions;**

- **comply their external communications with the current law in order to protect, in particular, price sensitive information and industrial secrets.**

General rules of behaviour for personnel

Bora's personnel must perform working activities observing the current law, Bora's Model and Code and internal regulation and procedures.

With regards to the Model, Employees must:

- **abstain from to commit or to attempt the commission or to contribute at the commission of a crime included in the Model;**
- **cooperate with the Supervisory Board during its supervisory activities, giving information and data as required;**
- **communicate to the Supervisory Board the information as required by the Model;**
- **report to the Supervisory Board potential breaches of the Model and/or the Code and unlawful conduct which is relevant for the purposes of the Decree.**

All the Employees can communicate directly with the Supervisory Board in writing, via specific mail address or by post, and orally to report the breaches to the Model or Code but also to ask information about:

- **correct explanation of the Code and/or the protocols included in the Model;**
- **legitimacy of a specific conduct.**

3. RELATIONSHIPS WITH THIRD PARTIES

Relationships with customers

In relationships with customers, the principles of transparency, reliability, responsibility and high standard quality are crucial for Bora.

In particular, in relationships with customers, all Addressees must:

- **comply with current laws that regulate Company activities;**
- **strictly observe the Code and the internal procedures referred to the relationships with customers;**
- **give to the customers terms and condition of Bora's production activities;**
- **adopt a behaviour inspired by availability, respect and courtesy, in line with the highest quality standards.**

Relationships with suppliers

In all relationships with suppliers of goods and services, all Addressees must:

- **comply with current laws and internal procedures for the selection of suppliers;**
- **adopt clear and specific criteria to select suppliers;**
- **communicate with suppliers in a clear and complete manner;**
- **not give money or other utilities or benefits to others persons, private or public, to carry out or to omit a specific act or to commit an unlawful act;**
- **not tolerate no kind of conditioning from third parties and not to commit any kind of conditioning to third parties in order to carry out or to omit a specific act or decision;**
- **abstain from contracts with third parties which may contain artificial financial operations.**

In case of gifts from suppliers not compliant with normal relationships of courtesy between commercial partners, Addressees must refuse these gifts, informing the supervisor and the Supervisory Board.

Relationships with Public Administration

In relationships with Public Administration, Bora and all Addressees must comply with the current law and regulations.

It is forbidden to the Addressees to accept or to offer, directly or indirectly through third parties, sum of money or any kind of gifts to or from public official, politicians or any other persons involved in national or international public roles or duties, in order to reward themselves for the commission of a specific act or the omission of another specific act.

In particular, all Addressees must:

- **not offer a job position in Bora or a commercial opportunity with Bora to a public official or him/her relatives if Bora is negotiating with or has request a formal measure to the Public Administration of which that public official is part;**
- **not offer, directly or indirectly through third parties, gifts or any other benefit to public officials and their relatives;**
- **not influence public officials' decisions in no way;**
- **comply with ethical principles of the Code.**

Relationships with Independence Supervisory Authorities

Bora strictly observes Independence Supervisory Authorities' rules relevant for its business activity.

Company cooperates with Independence Supervisory Authorities during preliminary and inspective activities of these Authorities, giving them all information and data required, without omission.

Relationship with political organizations and union organizations

Company does not tolerate that Addressees do political activities during working time or use company's assets and devices for political purposes. If an Addressee state to third parties a personal political opinion, he/she must clearly explain that this political opinion is personal and independent from the Company.

Addressees must not personally offer or promise a sum of money or any other kind of benefit to public or private organization pursuing a public interest in order to obtain unlawful support for the Company.

Bora can distribute sum of money to public or private organization in compliance with the current law and in any case the contribution must be duly documented.

Relationships with *mass media*

Information about Bora can be disclosed to the external only by Employees or other Person specifically appointed to communicate information about the Company.

Addressees can give information about Bora to *mass media* only if specifically authorized and in any case information about the Company disclosed to the external must be accurate, true and complete.

“Non-profit initiatives”

Bora can make contributions in favour of non-profit organisations and cultural or charities entities.

Sponsorships made by Bora can concern social, environment, sport, environmental and art topics but Company must abstain from conflict-of-interest situations.

4. IMPLEMENTATION RULES

Dissemination of Ethical Code

Communication and training of Ethical Code are essential tools for the Company in order to transmit knowledge of ethical principles and inform about laws and internal procedures that Addressees must comply.

The Ethical Code is available in digital format to All Addressees on Company website.

Information flows to Supervisory Board

Supervisory Board is appointed by Board of Directors according to the Decree and it remains in office up to the end of the mandate (in Bora, 3 years since the appointment).

Each member of Supervisory Board must meet professional and/or personal requirements/qualifications listed by the law (reputation, integrity, respectability, absence of conflicts of interest between members of Supervisory Board and members of corporate bodies or top management and also their relatives).

Some of duties assigned to the Supervisory Board are:

- **reporting breaches of the Model or the Code to Board of Director in order for the relevant disciplinary sanctions to be issued;**
- **giving its opinion about significant internal procedures' review in order to ensure the compliance with the Code;**
- **supervising communication and training initiatives about the Code to develop ethical culture inside the Company;**
- **promoting periodic reviews of the Code.**

All the Addressees can anonymously report to Supervisory Board, in writing (via a specific email address or by post) or orally, unlawful conduct, breaches or attempt of breaches of the Code or the Model. When these breaches have been reported, Supervisory Board must analyse the circumstances referred to the potential breach carrying out the checks and investigations deemed appropriate.

Supervisory Board performs its activities to ensure no kind of threat, retaliation, sanction or discrimination against the whistle-blowers or who have collaborated in the follow up activities as to the merits of the report. Moreover, the anonymity of the whistle-blower or anyone who have sent the report to the Supervisory Board is always ensured.

Validity of the Code and penalties for breaches of the Code

Breaches of the Code is a contractual breach and it harms relationship of trust between Bora and the Addressees.

Addressees are contractual obligated to observe the Code. In case of breaches of the Code by Employees, penalties that Company can adopt are listed in the Civil Code (articles 2014 and following), in Statutory of Workers and in National Collective Employment Contract. In case of breaches of the Code by member of Board of Directors or Board of Statutory Auditors and Third Party Recipients, Bora can dissolve the contract.

Breaches of the Code committed by Employees are a disciplinary offence and are punished in full compliance with current legislation and with the applicable collective employment contract. Non-compliance and forms of conduct by Employees in breach of the rules set out in the Model and in the Code entail the imposition of disciplinary penalties which, in accordance with the Decree, are applied on a proportional basis, taking into account – for each specific case – the objective seriousness of the event constituting the disciplinary offence, the level of blame, the potential repetition of the same conduct, as well as the intentional nature of the conduct concerned.