



THE WORLD ... OUR PASSION

VALUES & ETHICAL CODE



DAL 1955

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INTRODUCTION BY THE PRESIDENT

Welcome to our company!

Fagioli is a complex and interesting business on the Italian economic scenario, as it combines a marked international dimension with the aspects of a family business which binds it to the values and the typical characteristics of Italian companies.

I like to refer to it as a “pocket-sized multinational”, in order to emphasise the aim of successfully pitting itself against international competitors in terms of know-how, processes, quality and safety standards, but also to stress the history of a company which, generation after generation, has been built on the character of the people who work for it and their commitment, loyalty and integrity, values which form the very foundations of our company.

At Fagioli, we believe, above all, in the importance of people and therefore seek collaborators who can “make a difference” by acting intelligently and seeking to improve, firm in the knowledge that what is good for the company is good for them.

Fagioli therefore believes in the Value and in the Values of its people.

The section below outlines the cornerstones of our philosophy, which we are sharing in order to ensure that they are behind every action taken and every decision made.

Keep up the good work!

The President

Alessandro Fagioli

1 Being Fagioli

The ethical management of a company is a theme that is widely discussed today, but few people understand what ethics really means within the context of a company.

Accordingly to the words of Immanuel Kant, an “ethical behavior” means an act of an individual inspired not by fears of punishment or by opportunistic hope of rewards, but rather by his own consciousness, “in such a way to treat mankind, either himself or the others, as an end and never as a mere mean to achieve an end”.

Our values are not an attempt to impose obligations or to follow any rules, but social responsibility means the capability to perform its business activities in full respect for the legitimate interests of its partners and clients, as well as in protecting and preserving environmental sources for future generations. The conviction that one is acting in favour or to the advantage of the company can never, in any way, justify acts or conducts that disagree with Fagioli ethic principles: integrity is the key word. We did not only provide ethical guidelines and principles of behaviour but we are trying to grant also the foundation of shared values. In order to manage a company in highly complex and competitive markets, the hierarchical relationships and remunerative mechanisms are no longer sufficient. Ethical principles and values act as a guide when all other indications have disappeared and you are forced to take decision without having the time to think and with no acquaintance of the future. It's just like the lighthouse that drives the ship into the port, even when the compass and other instruments on board are not available.

Company business is based on the five values described below.

When someone makes a decision, they must remember that it relates not only to their own interests, rights and obligations, but to those of everyone else as well.

Our company owns a large amount of equipment, but this is not what makes us strong. Our applied engineering is unquestionably the most advanced on the market, but that is not what makes us unbeatable; we focus on human resources, but that is not why people seek us out. It is the values which guide our choices. Safety above all, creating a relationship of mutual trust with Customers, becoming their partner, accepting responsibility for our decisions as if acting within our own family, working enthusiastically to increase our skills and in working as a team, communicating with transparency and respect: these are the cornerstones on which we base our activities and what allows us to “make a difference”.

Our Values speak for us!

Moreno Massetti

2 OUR VALUES

1- HEALTH AND SAFETY



Complying with the **principles of health and safety** is our priority.

In the workplace, each of us receives the tools and the training we need to work safely.

Reducing risks for our employees, our customers and the communities in which we operate worldwide is an aim we pursue unstintingly.

Fagioli is... Working on the safe side!



2- CUSTOMER SATISFACTION

Customer satisfaction is our aim.

We listen to customers and offer them safe and innovative solutions satisfying the highest quality standards.

We promote shared growth based on relationships of mutual trust.



3- RESPONSIBILITY AND ENTERPRISE

Fagioli employees think and act as if the company were their own.

We seek new opportunities and new challenges, setting ambitious objectives and constantly focusing on improvement. We accept responsibility for our actions and decisions in order to achieve positive results for the company. **We focus on the people** we work with and **on our human resources**. **Company success is our success.**

4- PROFESSIONALISM AND PASSION

Anyone who chooses our services knows they can count on reliable professionals: **passion, know-how and excellence** in everything we do are the key to our success.

We constantly seek to improve our know-how and guarantee that the service we offer is the best it can be.



5- TEAM SPIRIT AND RESPECT

We believe in the **value of diversity** of experience, age and culture. We cooperate enthusiastically and communicate constructively to create a climate of **serenity and mutual trust**.

We act **transparently, loyally, honestly and correctly** and we promote **relationships based on mutual respect** with colleagues, collaborators, customers and suppliers.



3 Our Principle Code of Conduct

The following principles of conduct go beyond simple legal or contractual requirements that govern the behaviour and actions of employees and shareholders.

They represent an ethical reference model, which has been created to transmit a real perception of integrity and the ethical and social values of our organization.

3.1 - Conflict of Interests All our employees are expected to act always and exclusively in the best interests of the Company.

The existence of personal interests of any kind that contrast with the interests of the Company constitutes a conflict of interests.

The staff must refrain from taking advantage of opportunities that may arise deriving from their position in the company for personal gain, and from the improper use of company goods.

Accepting money, expensive gifts, favours or anything similar that constitutes a personal gain, represents a clear conflict of interests.

The company places particular attention on those employees who carry out a role and / or consultancy services in both our group and other realities to ensure that this does not generate conflicting situations with regard to the interests of our company.

The Management should be informed if this is the case.

In the case of roles within the group, the role must be carried out with no financial gain for the employee in terms of his/her total remuneration.

3.2 – Accuracy and transparency of account books and registers The information contained in account books and registers, including financial, accounting and personnel documentation should be accurate, up-to-date, complete and transparent.

The Company will not accept in any way intentional falsification of documentation or registers. Anyone who finds evidence of the tampering or falsification of data, whether this be for the intention of making a false declaration or simply to cover mistakes or omissions by fellow colleagues, should notify the Management immediately.

3.3 – Free Competition Our company recognizes free competition as a fundamental value of entrepreneurial spirit.

The objective of the company is to win over the market thanks to its quality and the added value of its services rather than by resorting to unfair practices towards competitors.

Leaving aside the many laws on the subject, the Company expects its employees to behave in a correct and attentive manner, to avoid actions that are designed to weaken the competition and to establish a situation of trust.

This refers to agreements between competitors regarding the predetermination of prices, terms or conditions of sale that interfere with market conditions; fictitious participations in proposals with the sole purpose of favouring a competitor; predetermining client or supplier "black-lists" based on non-objective motivations; etc.

In compliance with the same principle, the Company will not participate in corrupt business practices: employees are expected to refrain from distributing protection money or gifts of excessive value, with the intention of obtaining more favourable negotiation terms or opportunities that would otherwise not be attainable.

3.4 – Gifts, Free Services or other Personal Benefits The company bases its own business decisions on objective criteria.

With this principle in mind the Company intends to protect its own interests by avoiding personal benefits or presents that may falsify the equity of those that are called upon to make business decisions in the name of or on behalf of the Company.

The employee who, in the process of carrying out his/her normal functions, should receive gifts or favours from third parties should use his/her common sense and act accordingly in each specific case.

The employee should evaluate the type, the appearance, the objective and the position of the person offering the gift, as well as the business context and the local customs and cultural context of the situation.

Those who give gifts on particular occasions such as Christmas should act in a similar way with an even greater attention to detail.

To avoid this problem and ensure an open relationship beyond any minimal doubt with clients and suppliers, the company has decided to donate the amount of money normally allocated to gifts of this kind to charity, and will provide information about this to clients and suppliers.

3.5 – Use of Company Resources All employees are obliged to use the property and resources of the company in a way that is consistent and compatible with the interests of the company and to treat them as if they were their own.

The Company does not permit the improper use of company goods and resources whether this be information, property, technologies or financial values unless authorization is given by the appropriate manager.

Information, in addition to the principle of privacy and confidentiality as detailed in the point below, represents the company's resources and may only be used for purposes related to professional activities carried out by the Fagioli Group.

3.6 – Privacy and Confidentiality The Company expects that confidential information pertaining to the company should be maintained as such and should not be revealed to the public domain.

The information depositaries are the individual sectors who are obliged to control the confidentiality.

The use of internal information for personal gain or benefit, in addition to being prohibited by law, is considered non ethical by the company. The Company will not ask new employees about any confidential information regarding their former employer; similarly, the Company expects that employees will act in a similar way if they should terminate their working relationship with the Fagioli Group.

The employee should avoid situations that could result in the involuntary disclosure of confidential information, such as reading or discussing confidential information in public or leaving important information unattended, eg computer etc.

Information systems must be protected with a password: assisting in the diffusion of passwords compromises the principle of confidentiality and therefore is not recommended.

You must immediately notify the management of any leaks of confidential information or behaviour that does not conform with the principle in question.

3.7 – Alcohol and Drugs The objective of the company is to maintain a safe, healthy and productive environment for all its employees.

Alcohol, drug and other substance abuse by employees may have a negative effect on their work performance, and above all have serious consequences for the safety and health of their colleagues.

Those employees who consider themselves to be dependent on the substances stated above are requested to consult a doctor and to undertake appropriate therapeutic treatment. The company reserves the right to take direct action in order to sanction the use of substances that generate dependency and affect the lucidity of employees, as substance abuse is not compatible with the minimum safety regulations.

In addition it is not compatible with the minimum safety regulations to allow an employee to operate who is under the influence of substances.

3.8 – Equal Opportunities The Company commits itself to developing its Human Resource Policies based on the criteria of equality and objectivity.

Remunerative policies must be balanced and based on contractual regulations, while incentivisation schemes must be transparent and based on an analysis of objective and real competencies.

In order to avoid both favouritism and facilitation, the recruitment processes will be carried out with the utmost impartiality supported by procedures able to assess a candidate's skill and potential with regard to the role he or she will have to hold.

The access of all employees to the training programmes has to be without any form of individual discrimination and has to be aimed at the growth of skills of all resources in compliance with the strategies of company development.

We believe that it is appropriate to underline the fundamental importance that the Management works alongside the Human Resources Management for all matters and at all levels. Indeed we maintain that in accordance with the development policies outlined by the company, the first point of reference for an employee is their immediate superior.

3.9 – Behaviour in the work place Respect for colleagues is a fundamental rule of our organization.

Our Company has decided to adopt the most severe precautions against anyone who is found guilty of physical or verbal harassment in the workplace.

Mobbing or action that is damaging to the personal or professional image of colleagues will be taken very seriously by the company and dealt with accordingly, as this conflicts with the company's wish to associate its brand to irreproachable principles of morality and decency.

The company encourages its employees to behave in a decent way and dress accordingly, in line with the familiarity and professionalism that characterize our organization.

3.10 – Terrorism Our company is firmly opposed to any form of terrorism, the subversion of democratic order or any other negation of collective or individual freedom.

It is everyone's responsibility to do all he/she can to prevent acts of terrorism and denounce any form of such activities.

Fagioli Group's professional activity often involves operating in risk situations (airports, energy production centres, etc). For this reason, it is important that maximum attention be paid to the selection and control of the personnel working for the company. In these environments, the safety of employees and clients, in addition to moral responsibility, becomes a strategic reality.

The hiring of personnel, like the selection of any subcontractors, should only take place following a careful analysis of the individual's data to be carried out by the appropriate department.

Any unpleasant situation that may arise following the production of data or following checks is interpreted by the company as a fundamental necessity for prevention.

In compliance with the law, the confidentiality of sensitive data should always be guaranteed as highlighted in the appropriate paragraph.

3.11 – Health, Safety and Environment The company considers the safety of its employees and third parties involved in our activities to be of the greatest importance and makes every effort to prevent professional accidents, injuries or illness.

Fagioli Group works hard to identify, eliminate or control all risk situations connected to our activities. Training and informing our employees about safety regulations, the various instruments and equipment related to this, along with the organization of activities from an HSE viewpoint are fundamental for protecting both people and equipment.

The staff responsible for safety must always act in a professional and efficient manner assisted by the active participation of all employees who have precise responsibilities relating to their role within the organization. Prevention becomes the priority in the study of causes and their systematic removal.

The health of employees, like that of the environment that surrounds them, are very important for our company. It is our primary obligation to remove environmental risks that are present within our structure through the continual analysis of risks: the company is prepared to make organizational modifications or invest in safety measures for both individuals and groups. It has always been important to our organization to ensure that structures, instruments, technologies and environments are of the highest levels of quality and comfort in order to respect the working quality of employees.

The company encourages its employees to respect and care for the environment, and expects everyone to work with a full sense of responsibility for their actions, aside from the laws and regulations, providing operational suggestions that may help the company to limit its environmental impact.

3.12 – Influence on the community and institutions The company is aware that it has a great impact on the communities in which it operates. We want to aspire to a principle of the deepest respect for the community, its culture and its institutions that surround us.

Anyone who during the course of his/her professional duties should be required to liaise with the external community, should act as a representative of our ethical values: hiring, agreements with local suppliers, policies and organizational choices must be carried out with the highest degree of impartiality.

Sponsoring, participation in events and public meetings should all be indicated promptly to the Management.

Our organization must not be perceived as being arrogant but should be considered an example of ethical business practices and public relations.

Our brand should be recognized as a symbol of professionalism, efficiency and ethics and regarded with pride by the community in which it is operating.

4 Who should know our principles and values

4.1 – Human resources Human resources are the very essence of our competitiveness.

They are the foundation of both our present and future strengths: in order to maintain high levels of professionalism we will continue not only to hire staff but also to motivate employees thanks to a continual training process that will optimise the opportunities for individual growth.

In addition, we want to maintain a safe working environment, characterized by a transparent communication process and reciprocal trust and loyalty.

It is important that everyone is aware of the diversity of the individual and the richness that this implies for the group, and that the exchange of knowledge and information allows professional growth and helps decisions to be taken at the appropriate level without the need to recur to hierarchical structures.

It is important to underline that every employee is responsible for his/her own conduct and actions: The excuse that “my superior told me” or “the others are doing it as well” is not acceptable and contrasts with the principle of increasing the responsibility of the employee.

This is also true with regard to safety in the workplace, where in addition to high standards of individual protection, it is fundamental that every supervisor and every worker is able to stop an activity that could potentially place the safety of themselves and others in danger.

The Company will value highly any employee who turns down an opportunity or benefit that may only be obtained by violating the above ethical principles.

We encourage our employees to ask questions, to express their concerns and to provide suggestions regarding the business conduct methods of the company, especially with regard to daily operational decisions.

4.2 – Directors and Managers Directors and Managers have the greatest responsibility to ensure that an ethical environment is maintained and that a model of integrity and loyalty is instigated at all levels.

They must be aware that they should set an example of the behavioural models that will become the heritage of future generations.

Together with the Management of Human Resources, these figures represent the supervisory body that guarantees continual attention to the application of ethical principles and values.

4.3 - Clients We are aware of the need to build a culture of “Customer service” at all levels.

Long-lasting success depends on our ability to satisfy (or anticipate!) the needs of our Clients: we will commit ourselves to being innovative on all levels by responding to all the commercial, technical and management demands and maintaining a constant level of services at high added value.

The change in client requests and the operational complications of our clients should not be seen as a hindrance, on the contrary they give us the opportunity to show that we are both competent and flexible (When nobody can, We can).

A correct and transparent relationship with Clients represents a determining aspect for the success of the company: collaboration and loyalty are the foundations for the trust that we want to build around our brand.

We are not interested in a few profitable “deals”, our aim is to become a reliable partner who can always be counted on, both in terms of professionalism and competitiveness.

For this reason we endeavour to provide accurate and honest information to the Clients, setting ourselves the objective of providing Best Performer service levels in terms of performance, efficiency and courtesy.

When it is necessary to use subcontractors, it is company policy to guarantee to the Client that these third parties provide standards similar to our own, as we will still be responsible overall.

4.4 – Suppliers Our suppliers compete with us to guarantee high standards of service.

For this reason they must first and foremost share our respect for the client and work with us to achieve their satisfaction, bearing in mind that their result will affect the result that the Fagioli Group is trying to obtain.

At the same time, we are aware that only a satisfied supplier who does not feel exploited can be a reliable partner; for this reason we are sensitive to their needs.

Our suppliers must know and share the principles reported in this document.

4.5 – Financial Partners Our financial partners are the main supporters of our projects

For this reason, leaving aside the regulatory and procedural developments of “Basilea 2”, we want to maintain a constant and open dialogue with them.

We believe that it is important to develop a company document together with them that allows a correct evaluation of funds, interpreting the results in a transparent way.

We are certain that their involvement in the strategic decisions of the company will always be valuable and will grow in proportion to an increasing sense of trust, that we will try our hardest to consolidate.

4.6 – Community and environment We want to be responsible citizens within all our operating contexts throughout the world, maintaining high standards of ethical conduct and respecting local laws and cultures.

We share the objective of the European Social Statement aimed at highlighting the social correctness of companies: we commit ourselves to raising our level of awareness of a company policy that is capable of reconciling our financial, social and environmental objectives.

It goes without saying that anyone who works for the company, for any reason, must comply with all regulations governing social and civil relationships. They are therefore required to comply with all rules and regulations in the country where they operate. As far as concerns the criminal aspect, all crimes envisaged by our code must be avoided, irrespective of whether or not they form the basis for application of the law.

ANTI - BRIBERY: A MATTER OF CULTURE

“Policy, Programme and Rules of Conduct”

Summary for Fagioli Personnel

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5.1 Chapter I – Anti-bribery Policy

1.1 Anti-bribery Policy Statement and Commitment

Fagioli is committed to upholding responsible corporate behaviors by encouraging high standards of integrity, honesty and transparency in business transactions.

The Group Code of Ethics states:

The Group prohibits and will not tolerate any form of corruption, including active and passive bribery.

Fagioli People, joint venture partners or anyone acting for the Group must not authorize, solicit, offer, or promise to give or offer, directly or indirectly, any payment or anything of value to any public official for the purpose of inducing or influencing such public official to act in a way to assist the Group in obtaining, facilitating, retaining business or securing any unlawful or undue advantage in the conduct of the business.

The Group also prohibits private bribery. Nobody shall offer, promise, give, solicit or accept whether directly or indirectly, any undue monetary or other advantage, to any person or from any person who directs or works for, in any capacity, another private entity, for this or another person to act or refrain from acting in breach of this person's duties.

Compliance with anti-bribery laws is therefore more than a legal requirement: our reputation is of utmost importance and this Policy is designed to preserve our values. Fagioli prohibits and will not tolerate any direct or indirect bribe, or attempt to bribe, toward Public Officials and private parties that is aimed at obtaining or retaining business or securing any unlawful and improper advantage in the conduct of the business. Under no circumstances should any financial provision be accrued, money set aside or accounts created for the purposes of facilitating the payment of a bribe.

A strict adherence to the principles set out in this Policy is expected from all Personnel and third parties dealing with Fagioli at all times: no practices contrary to this Policy can be justified or tolerated for the reason that they are customary in a country where Fagioli operates.

1.2 What Bribery means and Consequences of Non Compliance

Bribery is to offer, promise or give, as well as demand, accept or solicit, whether directly or indirectly, any monetary, financial or other advantage, in order to obtain, retain or direct business or to secure any other improper advantage in the conduct of business. Fagioli Personnel must never bribe directly or indirectly any Public Official or private party. They must also never accept or agree to receive a financial or other advantage as a reward for the improper performance of their duties.

Examples of bribery are payment in cash, in-kind contributions, personal benefits (such as employment or investment opportunities, credits, subcontracting, stock options, insider information, positions in Joint Ventures, favorable contracts for family members, and granting a contract on highly favorable terms to a company in which a Public Official holds financial or other beneficial interest).

Fagioli Personnel must be well aware that the consequences of being involved in corrupt activities are potentially serious and vary:

- (i) civil or administrative liability;
- (ii) individual criminal prosecution and imprisonment;
- (iii) damage to reputation and relationship with stakeholders and business partners;
- (iv) heavy fines and related financial losses;
- (v) third party's lawsuits for the recovery of damages allegedly suffered as a consequence of corruption;
- (vi) debarment, suspension or termination from conducting business with the governments of the country.

1.3 Personnel

This Policy applies to all Fagioli Personnel, including senior managers, officers, directors, employees - either permanent or temporary - and business partners (such as consultants, intermediaries, agents and the like).

1.4 Personnel Responsibility

Fagioli Personnel are responsible for their own compliance and are expected to uphold Fagioli's values by conducting their duties in an ethical, professional and lawful manner at all times. Since violation of anti-bribery laws is contrary to our values and can lead to severe consequences and penalties, it is a contractual duty of all Personnel to understand and appreciate the importance of this Policy and comply with it in their daily work.

Compliance with the law protects not only our business, but also each of us individually.

No Fagioli Personnel and Business Partners will suffer any disciplinary actions, penalties or other adverse consequences as a result of refusing to infringe any anti-bribery laws, even if such refusal may result in a loss of business or adversely affect Fagioli's business, or because of reporting in good faith a suspicion that actual or potential bribery has taken place or may take place.

1.5 Breach of the Policy and Sanctions

Personnel infringing anti-bribery laws and Policy, as well as failing to report violations of which they are aware or making any retaliation against others reporting such violations, will be subject to:

- (i) disciplinary action (including dismissal from employment) in accordance with the company's disciplinary procedures;
- (ii) criminal offence, prosecution and other legal actions to the necessary extent to protect Fagioli's interests.

As far as business partners and associated persons and entities are concerned, a breach of this Policy can lead to suspension or termination of any relevant contract or other agreement.

5.2 Chapter II – Anti-bribery Programme and Rules of Conduct

2.1 Programme and Rules

In order to make effective its commitment to counter bribery and strengthen integrity in business activities, Fagioli has issued a specific Ethic Code, which are endorsed by the Board of Directors and Group CEO and are available at the Group's website.

Rules of Conduct deal with the following matters:

- Relationships with Public Officials;
- Facilitation payments
- Gifts and hospitality, sponsorships and donations
- Business Partners, Intermediaries and Consultants
- Accounting, Financial flows and payment
- Tax Havens and Transfer Pricing
- Private to private bribery (relationship with contractors, customers, suppliers and third private parties in general).

They will be made effective through Group guidelines and/or local procedures and adequate internal control systems.

5.3 Chapter III – Dealing with Public Officials, Business Partners and Associated Entities

3.1 Relationships with Public Officials

Although the Anti-bribery Policy applies to both public and private sectors, dealing with Public Officials poses a particularly high risk.

Dealing honestly with Public Officials is mandatory: it is strictly prohibited to offer, promise or give – directly or through intermediaries - any improper payment or benefit to any Public Official in order to obtain favourable treatment that, for instance, may consist of influencing the outcome of a government negotiation or inquiry or proceedings, obtaining government approvals, authorizations, permits, license, clearances or concessions, business opportunities and investments.

For instance, it is strictly prohibited to bribe with the purpose of:

- inducing a Public Official to act or to refrain from acting in a way that violates his or her duties;
- inducing a Public Official to use his/her influence to affect any governmental act or decision;
- achieving (e.g. obtaining, securing, retaining) any improper business advantage in violation of the applicable anti-bribery laws;
- trading in influence, which occurs when a briber offers, promises or gives an undue advantage to a person who has, or may have, an influence on the decision-making of a Public Official in order to exert such influence.

Even an attempt to bribe is unacceptable.

Fagioli is also against facilitation payments.

3.1.1 Prohibition on making False or Fraudulent Statements/ Document

Fagioli Personnel must not knowingly make or provide any false or fraudulent statements (or misrepresentation of facts), documents, reports or disclosures to any Public Officials.

3.1.2 Prohibition on appointing Consultants/Intermediaries recommended by a Public Official

It is forbidden to ask a Public Official to suggest an external consultant, intermediary or agent to deal with government inspections, investigations or proceedings, as well as to appoint any of them if proposed or suggested by a Public Official.

3.1.3 Gifts and Hospitality

Gifts and Hospitality are allowed only if they:

- are not motivated by the desire to exert improper influence, or can be perceived as having this purpose, on the activity or authority of a Public Official to the advantage of the company (for example it is prohibited to give G&H to a Public Official having the authority to influence or decide on matters/proceedings in which the company has an interest);
- do not constitute a payment (even hidden) to the Public Official for having done or omitted an act contrary to his/her duties or with the purpose of creating an expectation that the company will receive something in return;
- are reasonable in value and made in good faith and occasionally given under normal professional courtesies generally accepted;

3.1.4 Political Contributions, Sponsorships and Donations

It is forbidden to provide, directly or indirectly, political parties, organizations, unions and their representatives and candidates with contributions, unless otherwise permitted by the laws and duly authorized. Sponsorships and Donations must never be a subterfuge to achieve an unlawful purpose and breach anti-bribery laws. They must never be diverted for the personal use or benefit of a Public Official or misinterpreted as made in exchange for obtaining or securing business or any other unlawful advantage.

3.2 Relationships with Business Partners and Private Bribery

Fagioli Personnel must not directly or indirectly accept, receive, offer, promise or give money, anything of value or other benefits from/to any Business Partners (e.g. customers, suppliers, contractors, consultants, intermediaries, accountants, auditors, banks or other organizations) in order to improperly or unlawfully affect duties, activities, transactions and/or obtain a personal gain (for himself/herself or for another person, company or organization) by taking advantage of their office, responsibility or relationship.

Fagioli Personnel dealing with business partners can accept or receive entertainment and gifts only if they are (i) out of normal courtesy and nominal in value, (ii) lawful, (iii) duly authorized, (iv) properly recorded and (v) reasonable and occasional, they do not affect or appear to affect judgment and the Fagioli staff member does not feel pressure to reciprocate in some way.

5.4 Chapter IV - Financial Transactions, Recordkeeping, Training, Advice and Reporting

4.1 Financial Transactions and Recordkeeping

Compliance with accounting and internal control procedures is mandatory. Financial transactions and dispositions for assets must be adequately identified and properly and fairly disclosed in accurately kept books and accounting records. Accounts, receipts, invoices and other documents and records relating to dealings with third parties must be prepared and maintained with strict accuracy and completeness and show evidence of the legitimate business reason for making payments.

Any process or attempt to conceal the true origin and ownership of unlawful funds in an attempt to make them appear legitimate is strictly prohibited.

No recording of non-existent expenditures, or of liabilities with incorrect identification of their objects, or of unusual transactions which do not have a genuine and legitimate purpose, are permitted.

The use of Fagioli funds or assets for any unlawful purpose is strictly prohibited.

No accounts must be kept “off the record” to facilitate or conceal improper payments.

No documents may be issued which do not fairly and accurately record the transactions to which they relate.

Requests for false invoices or payments must be rejected and promptly reported.

4.2 Contract Review and Clauses

In order to ensure compliance with ethical principles and anti-bribery laws, specific provisions will be included in the relevant contracts with business partners when these will be dealing with Public Officials. The Legal Department shall always be consulted for advice and assistance, including any amendments to such provisions.

4.3 Ethical Due Diligence

Potential business counterparts (including, but not limited to, consultants, intermediaries, agents, suppliers, beneficiaries of donations or partners in sponsorships, lobbyists, associated partners in joint entities), unless they do not cause a material integrity risk, will be subject to ethical due diligence/qualification (including review on any relevant “red flag”) in order to ascertain whether they were or are: involved in corrupt activities or criminal proceedings, reliable and with an outstanding reputation for honesty and correct business practices or professional reputation, not included in blacklists or subject to international sanctions, or whether they have any affiliation or personal relationship with Public Officials.

4.4 Training and Communication

Fagioli will provide regular training to employees to help them understand their duties and responsibilities under the Anti-bribery Policy.

The Fagioli’s zero tolerance approach to bribery will also be communicated to Business Partners at the outset of the business relationship with them and as appropriate thereafter.

4.5 Seeking Advice

Fagioli Personnel can speak up with confidence if they have concerns or need to ask for help. In particular, if any of them are in doubt about the applicable anti-bribery laws, Programme or Rules of Conduct or what might constitute a breach of the Policy, they are requested to seek guidance from their supervisor or line manager before acting, as well as advice and assistance from corporate or country Legal Department.

4.6 Reporting Unlawful Behaviours

Personnel are responsible for the success of the Anti-bribery Policy and are encouraged to be vigilant and report any unlawful conduct, suspicions or concerns promptly and without delay to their supervisors or to the “Organismo di Vigilanza”. Any infringement to the Anti-bribery Policy and any demand by Public Officials or third business partners for corrupt purposes must be reported. Fagioli is committed to ensuring nobody suffers any detrimental treatment (regarding, for example, employment or business relationship) as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or corrupt offence has taken place or may take place in the future, regardless of the outcome of the internal investigation. Anyone having reason to believe or who fears being exposed to a risk of retaliation is entitled to request that Fagioli adopts effective measures for protection.

In so far as practical and appropriate to the circumstances, confidentiality will be maintained during the investigation.

4.7 Programme Evaluation and Update

Fagioli will periodically review and evaluate the Programme and ensure that it is updated when issues arise, when there are new developments in the law or in the business activities of our companies and when opportunities for improvements are detected.

Definitions

a) Public Official

The term is broad and includes:

- anyone performing public functions in a legislative, judicial and administrative capacity;
- all national and foreign officials (including, but not limited to, low level officers, representatives, directors) of (i) national, regional or local governments; (ii) executives, legislative or judicial government departments, agencies or units; (iii) government-owned or government controlled or participated companies; (iv) public international organizations;
- anyone acting in an official capacity for or on behalf of (i) national, regional or local governments, departments, agencies or units, (ii) government-owned or government controlled or participated companies, (iii) public international organizations, (iv) political parties or candidates for political office;
- a person elected or a candidate for political office;
- members of royal families;
- family members of any of the above (whether or not the family member has the ability to influence a decision by an official);
- anyone in charge of providing a public service, i.e. an activity that is governed in the same way as a public function but without the same vested power;
- any person designated or proposed by a Public Official (including any private party or any Business Partners)

b) Private to Private Bribery

- the intentional offering, promising or giving, whether directly or through an intermediary, in the course of economic, financial or commercial activities, of any undue monetary or other advantage, to any person, who directs or works for, in any capacity, another private sector entity, for this person or a third party, encouraging such person to act or refrain from acting in a way contrary to his or her duties, and
- the Intentional solicitation or acceptance, whether directly or through an intermediary, in the course of economic, financial or commercial activities, by any person who directs or works for, in any capacity, a private sector entity, of any undue monetary or other advantage or the offer or promise thereof, for this or another person, in order that this person acts or refrains from acting in breach of this person's duties".

c) Business Partners

The term "Business Partners" includes, but is not limited to, any intermediaries, agents, sales representatives, consultants (including lawyers, lobbyists, collaborators, accountants), brokers, acting for Fagioli, or promoting Fagioli's commercial/business interests in relation to specific transactions, projects and contracts, or assisting Fagioli in dealing with Public Officials in order to obtain licenses, permits or other authorizations, or for other legitimate reasons.

d) Joint Entities

It is a new entity, which combines Fagioli with one or more entities, by any contractual agreements/relationships. The legal structure of a Joint Entity can be formalized by investments of several partners in a legal entity or it may be less formal: it may be short term, limited to the completion of a specific project or be a permanent establishment set up for the long term. Examples are joint ventures, joint cooperation agreements, consortia, temporary associations of companies, financial participation in third companies.

f) Personnel

The term refers to contracted and temporary employees, managers, directors, officers and members of corporate bodies of Fagioli in all countries where Fagioli operates, as well as those persons who act for or on behalf of Fagioli or represent it in a fiduciary capacity.

g) Facilitation payments (or "speed" or "grease" payments)

These are small unofficial payments made to secure or expedite the performance of a routine government action for which the payer has a legal or other entitlement.

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