



**CODE OF ETHICS AND
CONDUCT**
SACEL GROUP

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Edition 0

Revision 5

MODIFICATIONS (highlighted in blue italic font)

Edition	Revision	Date	Description
0	0	09/01/2017	First issue
0	01	25/10/2018	Pointing out anti-corruption and anti-trust policy
0	02	03/06/2019	2019 Review - Anti-Corruption Policy
0	03	25/06/2020	Art 11 and Art 13 after CNH Customer Audit
0	04	06/10/2021	Article 20 Anti-counterfeiting policy
0	05	06/02/2022	Article 18 Employee reporting - clarifications

Emission

Verify

Approval

VP

DG

DG



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SACEL GROUP - CODE OF ETHICS AND CONDUCT

Applicability

All the main Sacel employees are required to apply with this Code of Ethics, both internal and external, thus including all the employees and all Sacel cooperators, in particular suppliers and consultants.

Purpose

SACEL Management, fully aware of its role and responsibilities within an economic and social community, promotes this Policy as a mean to define the commitment to continuous improvement of the main targets for customer satisfaction, development of quality, prevention, reduction of environmental impact, improvement of safety and health of workers, in the interest of all the parties involved.

Sacel Company Policy includes the will to pursue the principles of honesty and integrity in the workplace, developing the main behavioral guidelines in the present Code of Business Ethics.

The code of ethics and conduct, hereinafter referred to as "Code", contains behavioral rules aimed at qualifying the activity of Sacel Group according to the principles of fairness and good faith aimed at influencing the conduct of the subjects who intend to act responsibly on the market.

Title I - General principles

Art. 1 - Purposes and recipients of the code

- The purpose of this Code is to standardize the activity of Sacel Group to the best standards of conduct in line with the principles of social responsibility, as well as to stimulate their professional growth and the promotion of a free and competitive market.
- This Code is aimed at Sacel employees with any work classification recognized by current legislation. In the case of activities in the private sector, the parties will take care to adopt the appropriate measures to bind the directors, employees and managers to comply with this Code.
- Sacel also undertakes to involve suppliers, consultants and external collaborators to comply with the principles that inspire this Code.

Art. 2 - General principles

- In carrying out its activity, Sacel strictly adheres to the civil, criminal and administrative rules, as well as those of this Code, observing the principles of:
 - ✓ loyalty,
 - ✓ professional diligence,
 - ✓ probity
 - ✓ fairness
 - ✓ confidentiality

towards all the subjects, public and private, with whom it comes into contact, whether they are customers, suppliers, competitors or third parties.



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- Sacel undertakes to monitor the compliance with the rules of the Code with the utmost care, providing adequate information, prevention and control tools and intervening, if necessary, with corrective actions. Furthermore, Sacel undertakes to ensure, to the interested parties, an adequate program of continuous information about this Code through the distribution within the company network and through the website www.sacelgroup.com

Art. 3 - Respect for human rights, human resources and the environment

- Sacel recognizes the supreme value of the human being and it is committed to respect the human rights, paying particular attention to the protection of minors in the exercise of their activity.
- Employees and collaborators are recognized as indispensable for the success of the activity of the person in charge who guarantees its physical and moral integrity, ensuring working conditions that respect individual dignity, as well as safe and healthy work environments.
- Sacel undertakes to take into account the environmental impact of its initiatives by implementing behaviors that do not result in negative consequences for the environment.

Art. 4 - Update and disclosure of the Code

- Sacel Group is responsible for the Code and its updates by publishing it on the site mentioned above, as well as taking care of the disclosure in the company network.

Title II - Obligations relating to relations with the main stakeholders in carrying out the activity

Art. 5 - Fairness of the contractual clauses

- Sacel undertakes to use general terms and conditions, contractual forms to ensure clarity, fairness and transparency.
- Sacel undertakes not to abuse its possible dominant position in the market, in particular by avoiding a significant imbalance of rights and obligations in its own favor and in prejudice of others.

Art. 6 - Execution of contracts

- Sacel, in the execution of any contract with suppliers and customers, adheres to the principle of good faith.

Art. 7 - Conciliation and arbitration

- Sacel preferably adopts non-judicial settlement instruments for disputes, both conciliatory and arbitration, making use of the services provided by the Arbitration Chambers established at the Chambers of Commerce.



Section I - Relations with customers

Art. 8 - Loyalty obligation

- Sacel aims all its activity towards the customer. Therefore, it undertakes to incorporate the needs of customers and satisfy them as best as possible.
- At the base of the company's corporate policy there is, as a primary target, the satisfaction of the client's needs, since the loss of a client is considered a serious negative event. Therefore, Sacel puts into place measures and methodologies to get to know its customers, understand their needs and measure their satisfaction, taking into account the nature of the work performed.
- Sacel staff is trained to support these systems, particularly with regard to measuring customer satisfaction.

Art. 9 - Compliance with the requirements of fairness, impartiality and transparency in contractual relations

- In the contractual relationship with the customer Sacel, also in order to fully identify the needs, it operates, from the negotiation phase, with the utmost clarity, truthfulness and transparency.
- Sacel refrains from engaging in commercial practices that can be considered misleading or transgressive and, as such, limiting the freedom of choice or behavior.

Art. 10 - Respect for the rules of confidentiality and correct processing of personal data

- Sacel operates in scrupulous compliance with the laws designed to protect the privacy of individuals and other subjects, with particular reference to the processing of personal data.
- Sacel takes all the necessary measures to protect the data and information in its possession, both in relation to accidental events and to abusive processing, even by its own collaborators. The protection measures must be appropriate to the type of processing, the type of risk suffered, and the state of IT knowledge.
- Sacel facilitates access to data and information in its possession by the parties to whom data and information are directly related.

Section II - Relations with suppliers

Art. 11 - Inspiring principles of relationships with suppliers

- Supply control systems are implemented in the most appropriate way in relation to the sector and to management efficiency.
- Relations with suppliers, despite having a significant economic interest, are not based merely on price, but also on other factors such as: the constancy of quality; the evolution of the supplier; the willingness to carry out planning or development of services together; their attention to quality; the ability to implement corrective actions against declared non-conformities, the presence of a code of ethics within the organization.

Section III - Relations with employees

Art. 12 - Safety at work



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- Sacel undertakes to comply with all labor laws, with particular regard to safety legislation.
- Sacel undertakes to adopt the necessary measures to protect the integrity, the moral personality and to promote the professional development of its workers, taking care of their training, updating and continuous improvement.

Art. 13 - Involvement in company policies

- Sacel involves employees and collaborators, through specific training initiatives, in pursuing its targets.
- Sacel grants equal opportunities to all employees regardless of race, gender, age, social status, etc.

Art.14 - Instructions and orders on compliance with the code

- Sacel ensures that the work of the employees does not conflict with the principles of the Code, both as regards the principles of fairness and quality standards.
- Relationships with employees are in any case regulated by the national collective labor agreement.

Section IV - Relations with competitors

Art. 15 - Prohibition of unfair competition practices

Sacel abstains strictly from carrying out acts of unfair competition as defined by Italian and European legislation and, in any case, from behaviors that can be qualified as contrary to the principles of competition and the free market for example:

- hinder the entry of rivals
- hinder the activities of rivals in various ways
- agreements to reduce competition between enterprises
- conduct that can be characterized as contrary to the principles of competition
- and free market.

It refrains from making judgments on the professionalism of competitors, even if requested by its client, even potential client.

In the provision of its services to the customer, Sacel may make comparisons with those of competing companies, provided that they are strictly related to truthful, homogeneous and objective elements.

Art. 16 – Advertising

- In advertising communications, Sacel observes the principles of truthfulness and correctness and refrains from any kind of misleading advertising. It takes into account the legal responsibilities and financial implications resulting from the provision of an advertisement of an unfounded service.



Title III - Final provisions

Art. 17 - Disciplinary relevance of violations of the Code

- Infractions of this Code by the subject, except for any different and further liability profile, constitute a violation of the Statute and Rules of Sacel Group

Art. 18 - Employee reports (whistle-blowing)

- Sacel invites employees and members of corporate bodies to report any suspicion of fraud, illegal or irregular conduct and/or any kind of serious danger or risk that could involve or otherwise harm employees, consultants, customers, suppliers, stakeholders, the public or the company's own reputation, and of which they have become aware of during their work activities in accordance with the provisions of the whistle-blowing dealt with in the IATF 16949:2016 standard (exemplifying, but not exhaustively, workplace hazards, environmental damage, unlawful transactions financial, health threats, suspected corruption or bribery).
- In particular, the organization specifies that every substantiated report made within the company, provided it is not anonymous, will be given appropriate consideration, ensuring the confidentiality of the identity of the reporter, without prejudice to the legal obligations on subject to the enforceability of anonymity and confidentiality; a circumstantiated report made in good faith will not result in negative effects against the reporter.
- The good faith submitter of a substantiated and reasonable report will be protected from retaliation or otherwise by those involved in the facts that are the subject of the report itself.
- The submitter in good faith will be consulted during the remedy and/or resolution of the problem/report in order to be able to appeal the decisions taken to resolve it.
- Parties who believe that Sacel has violated one or more provisions of this Code may give news, in a non-anonymous form, using the mail box customer.service@sacel.it for the purposes of any disciplinary proceedings.

Sacel Group will be able to evaluate and update the levels of effective application of the Code, adopting information measures, possibly through sample surveys carried out on the participating subjects.

Art. 19 - Anti-corruption policy

Sacel Group works to avoid situations where the parties involved are, or may appear to be, in conflict with their own interests, with respect to contractual or fiduciary obligations related to their position.

- The fight against corruption is the duty of every recipient of the Code of Ethics not only to avoid any unlawful act or crime, but also in order to ensure the highest quality and the fair compensation for the services and goods provided and/or requested. For this reason, the relations of the Company with stakeholders are marked by the principles of fairness, transparency and collaboration. It is rejected any behavior that can be traced back to a nature collusive or apt to undermine the principles expressed in the Company's Code of Ethics.
- The following principles apply both to employees and corporate bodies of Sacel - directly - and to external collaborators and employees of client companies or suppliers.



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- As a general rule, it is prohibited to engage in, collaborate in, or cause the commissioning of behaviors that, taken individually or collectively, integrate, directly or indirectly, cases of crime, while violations of the general principles set forth herein and to the provisions of the Code of Ethics. In particular:
 1. **Provision of monetary and in-kind benefits.** It is prohibited to grant benefits of any nature (money, promises of employment, etc.) in favor of representatives of the Italian or foreign public administration, Partners, or their close relatives, aimed at acquiring favorable treatment in the conduct of any business activity or which might otherwise influence the independence of judgment or induce to secure any advantage for the company.
 2. **Freebies.** It is forbidden to distribute gifts and perform acts of courtesy and hospitality to parties interested if not within the limits of a modest value and in any case such as not to compromise the integrity or reputation of one of the parties and cannot be interpreted, by an impartial observer, as aimed at acquiring advantages improperly.
 3. **Acceptance of monetary and in-kind benefits.** It is forbidden to receive money, gifts or any other benefit or accept the promise, from anyone who intends to enter into a relationship with the Company and wishes to unduly obtain a more favorable treatment than that due.
 4. **Commercial incentives.** Any commercial incentive must be in line with the common market practices in the reference country, must not exceed the value limits permitted and must have been approved in accordance with the internal rules. Acknowledgment of any fees, discounts, credits, and rebates must be agreed in accordance with current legislation. It is forbidden to promise or deliver benefits or other similar incentives commensurate with the achievement of objectives based on clearly unmotivated and unattainable performance targets.
 5. **Performance.** It is forbidden to perform services in favor of External Collaborators who are not adequately justified in the context of the contractual relationship established with themselves, as well as recognizing compensation in favor of the same that they do not find adequate justification in relation to the type of task to be carried out and the prevailing procedures in the local area.
 6. **Cash use.** No payment over 1,000 euros can be made in cash either in Italy (where it is the legal limit) and abroad.
 7. **Documentation.** Each document, representative of an event that occurred and/or of an assessment made in the context of operations that fall within the sensitive areas for the purposes of Anti-corruption policy, must be signed by or traceable to whoever signed it. Each document must comply with current legislation.

Monitoring

Through specific checklists together with the annual audit planning a supplier and internal, QA ensures compliance with anticipated deadlines.

Acquisition and management of orders

The following principles must be observed in the acquisition and management of orders:

- analysis of the request for quotation and start of the elaboration of the quotation proposal;
- identification of the persons responsible for preparing the offer proposal, the related timing and the various authorization phases;
- identification of the persons authorized to maintain relations with customers, both in the preparation of the offer proposal and in the presentation phase;



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- authorization, in compliance with the corporate functions, of the essential elements (technical, industrial and commercial) and the economic-financial analysis of the offer proposal, formalized in a specific document;
- compliance with the proxies in place in relation to the signing of the offer to be sent to customer and any related contract;
- compliance, already in the offer phase, with the principles of transparency and objectivity in identification and selection of suppliers, where applicable.

Procurement of goods and services

The procurement processes of goods and services must be inspired by the principles of: economy, effectiveness, timeliness and fairness, free competition, equal treatment, non-discrimination, transparency minimization of risks and maximization of value. The indications for the selection of suppliers to be used for the assignment of work or construction contracts supply of goods and services are clearly described in the reference IATF procedure.

In the purchasing activity the following principles must be respected:

- supplier qualification;
- identification of the roles, tasks and responsibilities of the subjects responsible for the qualification of providers;
- segregation between whoever qualifies a new supplier and whoever carries out the activities supplying;
- traceability of documentation relating to the qualification process;
- monitoring and periodic updating of the register of qualified suppliers for the purpose of verify the maintenance of the qualification requirements;
- definition, time planning and monitoring and, in compliance with existing powers, approval of purchase requirements for goods and services.

[Art. 20 - Policy for the prevention of counterfeiting](#)

The Sacel group has deemed it necessary to integrate in this document, the situations strictly inherent to the authenticity of the products and protection from counterfeit parts for long-term maintenance of the levels of reliability, sustainability, profitability, competitiveness and customer satisfaction.

In this perspective, the principles adopted are the following:

- compliance with current regulations on anti-counterfeiting;
- developing policies and guidelines to effectively address the use of counterfeit parts in its own production cycle and in that of its suppliers;

In order to achieve these objectives, the DG undertakes to:

- reduce the risks deriving from the use of counterfeit parts (Risk Analysis);
- ensure information activities (General Conditions of Purchase) to its supply chain, in order to avoid/reduce the risks and aspects that may have specific repercussions on the economy and on the satisfaction of its customers;



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- disseminate its policy to all departments of the organization (Code of Ethics), to its customers and to own suppliers and contractors.

In order to implement the policy and to achieve the results expected by Sacel group, each supplier needs to:

- engage in the confidentiality of the data transmitted;
- establish and maintain a process to prevent possible counterfeiting of parts or materials and ensure that under no circumstances are counterfeit components delivered to the purchaser;
- It must not modify parts/components made to drawings for which Sacel Group has provided the relative specifications;
- ensure that the supply is free from Counterfeit or Suspected Counterfeit parts;
- purchase the parts directly from the original manufacturer or its official / authorized distributors;
- inform the Sacel group in advance about the use of suspect parts or changes to specifications/drawings. Sacel group will be responsible for requesting objective evidence of the application of the above and its effectiveness.