



Company Code of Ethics



1. INTRODUCTION

PE.DI, in drafting this Code of Ethics, intends to define the main guidelines of behaviour, in conformity with **SMETA 4-Pillars** (working standards, environmental management, business integrity, health and safety) and in Coca Cola's " **The Supplier Guiding Principles** " .

PE.DI production regards packaging within the "materials and products in contact with food" category, which are otherwise referred to as M.O.C.A.

The production processes are certified according to **ISO 9001:15**, **ISO 14001:15** and **FSSC 22000:4.1**, regulations for quality, the environment and food safety respectively.

PE.DI deems it necessary to operate in accordance with all current laws and regulations within the fields of the environment, hygiene and food safety, as well as with the rules laid down by the internal PE.DI quality management system. From these rules and principles, PE.DI's Ethical Code was established, i.e. the point of reference for all relationships between PE.DI and company stakeholders.

This Code of Ethics therefore represents the framework of behaviours with which each group of stakeholders must comply.

Transparency, fairness, professional commitment and moral rigour are the values that inspire us to compete fairly in the market, improve customer satisfaction, increase value for members and develop the skills of our workers and promote their professional growth.

This Code of Ethics is a guideline that can be adapted to different situations but is not aimed at addressing each situation individually. It is founded on the principle that no malicious or fraudulent behaviour, even if committed for the benefit of the company, is justified or accepted.

This Code of Ethics has been created by the CEO and endorsed unanimously by the board of directors.

2. INTERNAL REPORTS

2.1 Forced Labour

All individuals employed by **PE.DI** provide their services of their own free will; **PE.DI** does not support or use forced labour. At the start of the employment relationship the worker is not requested to give a cash or equivalent utility deposit, or a 'blank' declaration of commitment to resign.

Every newly-hired worker is informed of the terms and conditions of the work offered before acceptance of employment. None of the newly-hired worker's own documents are retained (identity card, passport or other legally valid document), nor are submitted documents to be interpreted as an act of consent to withhold the worker's documents.

Sums of money may be granted, but only in accordance with applicable current regulations such as, for example, advance TFR (severance) payments. This activity does not imply an act of retaliation or recourse against the debtor worker. The worker has the right to leave the workplace upon completion of their working hours, not to be retained in the company for any reason and to terminate the employment relationship with the company, in accordance with the modalities and time frames provided for by the CCNL (State collective employment agreement) or by the laws in force. The worker has the right to receive liquidation and their due salaries within the terms provided for by law.

2.2 Freedom of association and trade union representation

With regard to association and trade union representation, **PE.DI** applies to all workers and to all forms of relationship, the guidelines defined by the National Collective Labour Agreement for workers in the engineering industry, which includes the right to form, participate in and join trade unions of their choice. The company respects this right without any form of interference or meddling. **PE.DI** does not in any way hinder the possibility of meetings between workers. A copy of the contract of employment is available to workers.

2.3 Health and Safety

PE.DI undertakes to diffuse and reinforce a culture of safety by developing risk awareness and promoting responsible behaviour among all workers, including the delivery of the guide relative to Legislative Decree 81/04 on safety; it also operates to preserve the health and safety of workers with a main focus on preventive measures.

With regard to health and safety in the workplace, **PE.DI** undertakes:

- to guarantee safe and healthy working environments and to be a cohesive organisation;
- to comply with all laws and regulations relating to health and safety;
- to ensure the cleanliness of restaurant services, changing rooms and toilet facilities;
- to ensure compliance of auxiliary services (potability of water, cleanliness of premises, etc.)

To support this policy, every worker must observe all safety rules and procedures. Every worker is

obliged to promptly notify the Director of the Prevention and Protection Service, appointed by the Employer or by the Employee Representative for safety elected by all workers, of every dangerous situation as well as every divergence from the procedures implemented and distributed.

Department and service managers (responsibility figures) shall ensure that workers under their supervision comply with the preventive measures. This is to ensure that there is no loss of attention during potentially dangerous activities. They also receive reports from collaborators regarding safety improvements and health protection. Under no circumstances can the fulfilment of work activities and compliance with time limits be prioritised over the observance of safety measures.

workers must follow, with seriousness and diligence, the security provisions that concern them, raising awareness among colleagues who do not do the same and informing Managers of any shortcomings and areas for improvement.

2.4 Child Labour

Children or workers younger than 18 years of age are not employed in PE.DI's production processes. In the event that the company decides to use interns from local schools who are under the age of 18, it will adopt the following measures:

not assign minors tasks that are incompatible with the provisions of Legislative Decree 196/03345

- not allow children or young workers to undertake work involving heavy lifting (manual handling of loads) or any activities that do not fall within the scope of the internship
- not allow working hours to exceed 8 hours
- ensure that training and information is provided and, where required, train interns according to the purpose of the internship
- Protect the physical and mental state of young workers.
- Guarantee safe conditions by not exposing the interns to situations that could be dangerous, risky or harmful to their physical or mental health and development.
- Ensure that interns are not in contact with dangerous equipment

In the event that, following audits of suppliers or via any other information source, a member of PE.DI's staff becomes aware of the use of child labour within the company or by suppliers or sub-contractors, he/she must immediately inform the Director of the Code of Ethics or the Management. The latter will identify the remedial actions provided for in the event that child labour is being used.

2.5 Contract types

Most workers are recruited with a subordinate employment contract as required by the current C.C.N.L, including for school internships and traineeships.

If required, the company may use temporary labour.

The PE.DI does not make use of working from home. It is the responsibility of the Management to verify that workers provided by contractors (who are normally used by PE.DI for overtime work), are duly contracted, paid and that they receive social security contributions as provided for by the current legislation (*LAW OF 9 AUGUST 2018, n.96, conversion into law, with amendments of decree-law of 12 July 2018, n.87, laying down urgent provisions for the dignity of workers and businesses*)

2.6 Remuneration

The company guarantees workers' rights to a salary in compliance with the C.C.N.L. The pay check lists the items that make up the monthly salary, including deductions and any other provisions required by law. When the worker is hired, the contract of employment is signed which contains all necessary information, including work tasks and grading. Refer to the C.C.N.L. for any aspects not referred to in the employment contract. Deductions for disciplinary purposes, if applicable, are exclusively related to cases provided for by the legislation in force and by the C.C.N.L.

As part of the obligations imposed on this sector by the C.C.N.L., the **PE.DI** guarantees all of its workers a suitable and decent remuneration, in full compliance with the standards set by the C.C.N.L. that allow workers to meet their basic needs. If a worker has doubts about the sum of a remuneration, he/she can, first of all, seek clarification from a **PE.DI** human resources manager. Alternatively, the worker can use trusted assistance of his/her choice (patronage institutions, etc.). The C.C.N.L. for the engineering sector, provides protection for damages and loss attributable to wilful misconduct, mistakes or serious negligence of a worker provided that the counter-claim is made in a timely manner and expressed formally to the employer (pursuant to Article 7, Law. 300/70). These deductions will be carried out within the limits of the provisions of the current legislation and, where possible, will be divided into instalments so as not to impact too heavily on the remuneration amounts.

The worker can use a personal password to access a dedicated online space known as "Zucchetti Stir", where he/she can view and download monthly pay checks which provide detailed information about how the remuneration was calculated. The amount of remuneration is calculated based on the number of hours worked. The remuneration is paid via a bank transfer.

2.7 Working hours

Working hours at **PE.DI** vary depending on duties and in accordance with the current regulations regarding shifts, rest periods and overtime.

Occasionally, working hours may extend beyond the usual 8 hours. With regards to the average duration of working hours, the Company complies with the current C.C.L. provisions for this category. Overtime is calculated using the wage increases provided for by the C.C.N.L. Without prejudice to the provisions of Article 2109 of the civil code, the worker has the right to an annual period of leave as prescribed by the current C.C.N.L. regulations. Any transfers are reimbursed according to the provisions of the C.C.N.L.

2.8 Discrimination

PE.DI undertakes to protect the moral integrity of its workers, guaranteeing them the right to working conditions that respect their dignity.

For this reason, **PE.DI** demands that both internal and external employment relationships should not give rise to acts of psychological violence or to discriminatory attitudes or harmful behaviours towards a person for his or her beliefs, inclinations or preferences.

Any such acts will be followed up with the termination of the employment or collaboration relationship and with any other measures deemed suitable.

PE.DI therefore, does not tolerate any form of harassment, with this also being understood as:

- unwelcome behaviour (for example words, images or physical contact);
- actions that, based on common opinion, could be considered intimidatory, hostile or offensive;
- disrespectful or irreverent opinions on a person's race, ethnicity, religion, gender or sexual orientation;
- harassment or similar behaviours;
- publication or sending of unauthorised e-mails, photos or related inappropriate messages to a person.

workers who believe that they have been subject to harassment or have been discriminated against on grounds related to the above points may report the incident to the Director of the Code of Ethics who will assess the situation and put in place appropriate measures, if applicable, in accordance with the Management.

In these circumstances, PE.DI ensures the prompt and impartial implementation of measures aimed at preventing the malicious behaviour.

Individuals who report cases of harassment have the right to confidentiality and not to be the subject of direct or indirect retaliation.

2.10 Training and skills

In the context of personnel management processes, decisions made are based on the correlation between anticipated profiles and the actual profiles of collaborators and/or by considering quality and overall efficiency of their work.

PE.DI puts informational tools and training programmes at the disposal of all workers with the aim of developing specific skills and maintaining the professional value of staff.

PE.DI guarantees the involvement of workers in work processes as well as the opportunity for them to participate in practical discussions regarding the achievement of business goals. To this end, the company has implemented a " **suggestion box** " in which each worker can describe his/her ideas and list the benefits for the Company. On an annual basis, all ideas submitted will be divided into the categories of "achievable" or "not to be acted upon". A lot will be drawn to select one suggestion which will be awarded a prize.

2.11 Company Assets

All workers must use company assets and resources to which they have access, or which are in their possession in an efficient way and exclusively in order to realise the objectives and company aims of PE.DI.

They must also make use of these assets using the appropriate procedures in order to protect their value.

Using company assets or resources for any purpose that may be in conflict with the interests of PE.DI or for professional reasons unrelated to the employment relationship are prohibited.

2.12 Smoking ban

In order to respect the health of its workers and taking account of national regulation on the matter, **PE.DI**, has imposed a ban on smoking within company buildings and vehicles.

2.13. Prohibition of taking alcoholic beverages or drugs

PE.DI has placed an absolute ban on the taking of alcohol or drugs in the workplace or prior to work if the effects of said substance are prolonged and will continue into the work activity.

3. PRINCIPLES CONCERNING CORPORATE MANAGEMENT

3.1 Administration and budget

PE.DI believes that transparency, accuracy and completeness of its accounting information and budget are fundamental. For this reason, it undertakes to comply with the principles laid out in the civil code and by the sector regulations. workers involved in administration and accounting must strictly comply with internal procedures and the rules of law and accounting standards.

In particular, accounting records and documents are based on precise, exhaustive and verifiable information and reflect the nature of the transaction to which they refer. They are carefully stored for the possibility of verification.

Concerned workers who have become aware of omissions, errors or falsifications of accounting records must inform their line manager and, depending on the severity of the issue, the Supervisory Body.

workers involved in preparing financial statements should operate in accordance with prudential regulation and supported by their knowledge of accounting practices or more specific requirements of the sector concerned. They should always work with the due diligence expected from the experts of this sector.

3.1 Relationships with customers and suppliers

PE.DI, by complying with the Ethical Principles of this Code, requires their Suppliers to implement this Code and to work actively to establish it within their own business framework.

PE.DI encourages a continuous and extensive collaboration with suppliers with the aim of building strong and lasting relationships. Suppliers, in particular, whilst working with **PE.DI** must:

- Adopt the rules set out in this Code of Ethics of which the **PE.DI** undertakes to provide a copy;
- Inform their workers who take part in work activities within **PE.DI** about the content of this Code of Ethics, requesting their full compliance with it.

workers of the supplying companies should not be subjected to any form of psychological pressure from any **PE.DI** worker. If this were to arise, the worker concerned must provide information to the Management or the Director of the Code of Ethics. **PE.DI** managers will ensure that any workers involved in the acquisition of materials or services do not receive intimidation or solicitations from suppliers, who must also refrain from providing goods or services for the purchaser's personal use.

Fair and transparent customer relationships are a fundamental aspect of the Company's success and must be pursued by offering high quality products and services and competitive market conditions in compliance with the rules of fair competition.

In the context of business relationships, donations, benefits, services of any other kind, both direct and indirect, gifts, acts of courtesy and hospitality are forbidden, unless they are of a nature and value that does not compromise the image of the Company and cannot be interpreted as aimed at obtaining favourable treatment that is not established by market rules.

workers who, whilst carrying out their duties, receive, even on a festive occasion, gifts or other benefits that are not of a modest price, that carry a symbolic value or extend beyond the confines of normal politeness relations are required, according to the established procedures, to promptly notify them to the Director of the Code of Ethics and to the CEO of **PE.DI** who will evaluate their suitability, possibly returning them and informing the sender of the policy adopted by **PE.DI** relating to gifts and benefits.

4. IMPLEMENTATION OF THE CODE OF ETHICS

4.1 Dissemination and understanding

PE.DI intends for its Code of Ethics to be fully effective and for its contents to become established practice for workers, suppliers and other stakeholders. For this purpose:

- **PE.DI** undertakes to disseminate the Code of Ethics using rapid methods of communication, providing different modes of communication in order to adapt to the specifications of all partners (for example, presenting departments and offices with a copy of the Code of Ethics, distributing the Code of Ethics to all workers, uploading to the website, etc.);
- **PE.DI** is particularly focussed on ensuring that the Code of Ethics is understood and providing necessary clarification to all staff and collaborators for whom the code is to be considered an integral part of their employment relationship. It will do so by providing an information plan aimed at promoting knowledge of the principles and rules contained and/or referred to therein;
- **PE.DI** undertakes to regularly monitor levels of compliance with the Code by regularly updating the internal and external activities involved with upholding the obligations laid out by said Code.

4.2 Guidance on interpretation and reports of violations

To ensure control over the observance and the updating of the Code of Ethics, **PE.DI** has appointed a representative in the person of **Stefano Piana** who should be notified of any questions, alerts or violations of the Code. E-mail: *S.piana@pe-di.com*

The nominated person reports to the Management and carries out all supporting activities required to:

- disseminate the Code of Ethics and the application of its principles;
- ensure compliance with the requirements of the Code of Ethics;

- receive reports of any criminal offences committed within the framework of the Organisation and report them to the Management;
- suggest any amendments to the Code of Ethics in order to keep it properly updated;
- lead the internal audit activity, when necessary, to verify the correct application of the Code of Ethics.

PE. DI strives to ensure that the system for reporting violations is clear to all and that all individuals are familiar with the contacts who can clarify the Code.

PE.DI takes the Principles set out in this Code very seriously and, therefore demands, from those who hold roles of responsibility, an even greater commitment in terms of compliance with the Principles and support for their dissemination and understanding at all levels.

Any reports submitted will follow the company hierarchy, having the line manager as a point of reference, except if the line manager is an active subject in the violation. In this case, a hierarchical level will be skipped.

The recipient of the report, having assessed its validity, will inform the Director of the Code of Ethics.

However, if there are grounds for conflict or if the reference line manager does not act promptly, workers and collaborators have the right to request interpretative clarifications, or report violations, directly to the Director of the Code of Ethics.

Violation of the provisions of this Code of Ethics may constitute a breach of the primary obligations of the employment relationship or a disciplinary offence, in compliance with the procedures established by the Workers' Statute, with all of its legal consequences; it may lead to compensation for any resulting damages.

5. PRIVACY PROTECTION

PE.DI undertakes to protect the personal data processed within its organisation according to a risk-based approach and on the principle of transparency, in full compliance with the provisions of EU Regulation 2016/679 concerning personal data protection and with the amended Italian regulation, in order to avoid any unlawful or improper processing and any possible violation of data security, which involves a risk for the rights and freedoms of the data subjects.

PE.DI undertakes to protect the confidentiality of all information of any nature or subject that comes into its possession during the performance of the business activity, avoiding any improper use or undue dissemination of such information.

6. VALIDITY

This Code of Ethics comes into effect from the date of issue. Any variation thereof and/or integration will have to be approved by the Board of Directors, by the CEO and communicated to all parties concerned.

Issued by CEO PE.DI

Date: January 11, 2019

