



# CODE OF ETHICS AND CONDUCT

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## AUTHORIZATION

Signatures:

**Gilberto Breda (CEO)**

## 1. CODE OF ETHICS AND CODE OF CONDUCT

In carrying out its business activities, *CDS S.r.l.* is guided by the protection of human rights, labor rights, safety, and the environment, as well as a system of values and principles of transparency, honesty, energy efficiency, and sustainable development. It is therefore *CDS S.r.l.*'s commitment to actively contribute to promoting quality of life, socio-economic development of the communities in which the Company operates, and the development of human capital and individual skills, conducting its business activities both nationally and internationally in a manner consistent with sound business practices.

The present Code of Ethics and Conduct (hereinafter referred to as the Code) is the document that:

- expresses the values and principles of behavior that *CDS S.r.l.* (hereinafter also referred to as the Company) follows in managing its business activities and in its relations with all those who interact with it.
- represents the set of rules that regulate the life and the behavior that all Company personnel are required to observe.

In order to regulate mutual collaboration, the Code sets out rules of conduct directed at various Recipients, whether internal or external to the Company, including:

- Employees;
- And any other party acting on behalf of *CDS s.r.l.*

For all those who provide their services in favor of *CDS S.r.l.* and for all third-parties entities, adherence to the ethical principles outlined in the Code is a necessary condition for continuing their relationship with the Company: the Code forms an integral part of the contract signed.

All persons working at *CDS S.r.l.*, without distinction or exception, are obligated to observe and ensure compliance with the principles of the code of conduct within the scope of their roles and responsibilities.

Therefore, every employee and collaborator is required to be familiar with the Code and actively contribute to its implementation, while also reporting any shortcomings.

*CDS S.r.l.* is committed to facilitating and promoting the understanding of this Code among all employees and collaborators, encouraging their constructive input on its contents. Any behavior contrary to the letter and spirit of this Code will be sanctioned according to the provisions of the company regulations.

## 2. DISTRIBUTION OF THE CODE

*CDS s.r.l.* disseminates the Code in particular:

- to internal staff, to promote the awareness and practice of the conduct outlined therein, by sending e-mails, posting on noticeboards, and keeping a printed copy in offices, as well as presenting it during specific training sessions.
- to external collaborators, suppliers, and other third parties acting on behalf of *CDS S.r.l.*, through appropriate and clear informational communication, both in print and/or electronic formats, enabling the Recipient to fully understand its contents and sign it knowingly.

## 3. OBLIGATIONS OF THE RECIPIENTS

All Recipients are required to read and accept the Code, meaning they must understand and learn the behavioural norms contained therein, as well as all other behavioural rules governing various business activities.

In particular, internal Recipients are required to:

- Direct inquiries to the Company Management for clarifications regarding the application of the norms outlined in the Code;
- Promptly report to Company Management any information, whether directly observed or reported by others, regarding potential violations or attempted conduct violations;
- Cooperate with supervisors to investigate potential behavioural violations;
- Adequately inform any third party with whom they come into contact during their work activities about the existence of the Code and the commitments and obligations imposed by it on external parties.

In addition, every business manager is required to:

- Represent an example for colleagues with their own conduct;
- Raise awareness among colleagues regarding adherence to the Code, which constitutes an essential part of job performance;
- Verify the correct application of the code by colleagues;
- Implement immediate corrective measures; when the context requires it;
- Prevent any form of retaliation against colleagues who report irregularities by their peers.

## 4. ETHICAL PRINCIPLES

*CDS s.r.l.*, in carrying out its activities, requires adherence to the following principles (hereinafter referred to as the "Principles"):

- Compliance with laws;
- Loyalty, fairness, and prevention of conflicts of interest;
- Transparency and reliability;
- Confidentiality and privacy;
- Professionalism;
- Respect for individuals and human resources;
- Respect for industrial and intellectual property;
- Respect for the environment.

Below are the ethical principles that *CDS s.r.l.* requires all workers and individuals acting on behalf of the Company (hereinafter also referred to as "Recipients") to adhere to.

### 4.1 Compliance with Laws

*CDS s.r.l.* recognizes legality as a fundamental principle for conducting any activity and urges its collaborators to adhere to this Code, Laws, current regulations, and specific company policies. The Company does not justify any behaviour contrary to these principles, even if motivated by pursuing the pursuit of an interest of the Company itself, and sanctions such behaviours according to the applicable disciplinary system based on the relevant National Collective Bargaining Agreement (CCNL).

### 4.2 Loyalty, Fairness, and Prevention of Conflict of Interest

Recipients must operate impartially, conducting their activities and making decisions with rigor and transparency, based on objective and neutral evaluation criteria.

In the conduct of their activities, they must avoid situations where individuals involved in transactions are or may be in a conflict of interest. This includes any situation where Recipients pursue an interest different from that of *CDS s.r.l.*, or engage in activities that could interfere with its ability to make decisions exclusively in its own interest.

### 4.3 Transparency and Reliability

In carrying out work activities, the actions, operations, transactions, and more generally, the behaviours of the Recipients must be guided by utmost transparency and reliability. Recipients are required to provide truthful, transparent, complete, and accurate information.

Every operation must be duly authorized and correctly recorded, as well as verifiable, legitimate, appropriate, and adequately documented, in order to allow for the verification of the related decision-making, authorisation, and execution processes at any time.

The culture of control is promoted at every level through raising awareness among employees and collaborators about the importance of the internal control system (formalized through documents

such as regulations, policies, and procedures), and thus ensuring adherence to existing procedures in the performance of work activities.

In the scope of their roles, employees are required to actively collaborate for the proper and effective functioning of the company's internal control system.

#### **4.4 Confidentiality and Privacy**

Respect for confidentiality is a fundamental and necessary rule in all conduct. The confidentiality of received information is ensured, and the use of confidential data is forbidden except with explicit and informed authorization, always in strict compliance with current legislation on personal data protection.

Recipients are required to strictly adhere to the confidentiality principle even after termination of employment. In particular, employees and collaborators must guarantee the confidentiality of information, documents, and confidential data belonging to both *CDS s.r.l.* and its clients, which they have come to know during or as a result of their work activities.

Recipients must refrain from using confidential information, which they have become aware in the course their office and/or profession, for personal purposes or for operations of their personal interest (even indirectly), and in any case not connected with the exercise of their entrusted or performed work activities. They may not disclose such information to third parties or misuse it.

Confidential information may only be disclosed to those who have a genuine need to know, and such communication to third parties must be made by specifically authorized individuals in accordance with current internal procedures.

All information and data held by *CDS s.r.l.* is treated in compliance with current privacy regulations. Recipients of this Code are strictly prohibited from using and processing information and data held by the company for personal purposes or for purposes other than those permitted. They may not use information or news acquired in the performance of their work duties for *CDS s.r.l.* for their own or third-party benefit.

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**4.5 Professionalism**

All activities must be carried out with utmost commitment, diligence, and professionalism, in a spirit of mutual respect and collaboration, ensuring equal opportunities at all levels and promoting individual aspirations, expectations for learning, professional growth, and personal development.

Employees and collaborators are required to dedicate themselves and act loyally, ensuring the expected performance and respecting commitments.

The Company emphasizes the importance of attracting and retaining top talent, fostering honest, open, and constructive interaction, participation, collaboration, and sharing of information and knowledge. Employee satisfaction and performance are regularly evaluated based on individual and collective results, adherence to obligations, and behavioural norms.

**4.6 Respect for Individuals and Human Resources**

*CDS s.r.l.* upholds individual freedom in all its forms and condemns any manifestation of violence or intolerance, while valuing the abilities and skills of everyone. Authority must be exercised with fairness and impartiality, avoiding any form of abuse. Authority should never undermine the dignity and autonomy of individuals, and work organization choices should prioritize the professional value of each person.

Every employee of the Company is expected to interact with colleagues in a collaborative manner to maintain a workplace climate of mutual respect, where everyone feels encouraged to achieve their goals. All employees at every level must avoid using rude manners with colleagues and clients, offensive language regarding others' beliefs and morals, and generally refrain from behaviors and words that could harm personal dignity.

No requests or threats aimed at inducing individuals to act against the law or contrary to this Code of Ethics will be tolerated, nor will any behaviors that violate personal moral convictions and preferences.

Specifically, *CDS S.r.l.*:

- Ensures a work environment that values employee diversity, respecting the principle of equality and protecting the dignity and freedom of every employee in the workplace.
- Does not tolerate any form of discrimination based on race, sex, political views, union affiliation, or religion.
- Requires refraining from any form of intimidation, acts, or harassing behaviour.
- Does not tolerate sexual harassment, defining it as any unwanted act or behaviour, including verbal, of a sexual nature that offends the dignity of the person subjected to it. It also prohibits creating a climate of intimidation towards anyone experiencing such harassment.

Behaviours that undermine the personal and professional dignity of workers, as well as their psychophysical health, are highly damaging to individuals and completely contrary to the principles of the Company's Code of Ethics.

**4.6.1. Combating Forced Labor and Child Labor**

Forced labor is currently recognized as a global issue. Therefore, adopting targeted measures to combat forced labor helps protect vulnerable workers and prevents human rights violations.

Modern slavery is considered a crime and a fundamental violation of human rights. Laws have been enacted against slavery, servitude, forced and compulsory labor, and human trafficking. The use of forced or compulsory labor, including by victims of human trafficking, or by anyone (whether adult or minor) held in slavery or servitude, is strictly prohibited within *CDS s.r.l.*

The company does not employ minors, either directly or indirectly. Everyone who "works for" or "on behalf of" *CDS s.r.l.* must meet the minimum age requirements established by law.

**4.6.2. Fair Wage and Working Hours**

*CDS s.r.l.* complies with the provisions of its collective labor agreement (CCNL) regarding working hours. In regular cases, employees are not required to work more than 40 hours per week. The company ensures that overtime hours are in accordance with the relevant collective labor agreement and are appropriately compensated.

*CDS s.r.l.* commits to carefully planning work schedules, aiming to streamline processes and accurately forecast staffing needs to avoid excessive overtime for its employees and to manage vacation time effectively.

*CDS s.r.l.* guarantees its employees a wage that comply with all applicable laws, ensuring that salaries meet basic needs and enable workers to live in dignity.

**4.6.3. Freedom of Association and Collective Bargaining**

*CDS s.r.l.* is committed to ensuring the freedom of association for its employees. In this regard:

- The company respects the right of all personnel to organize and join unions of their choice and engage in collective bargaining.
- It ensures that employee representatives are not discriminated against, recognizing them as privileged interlocutors, providing them with time to engage in these activities, and granting access to their members in the workplace.



**4.7 Respect for Industrial and Intellectual Property**

*CDS s.r.l.* respects its own and others' rights to industrial and intellectual property, including copyrights, patents, trademarks, and distinctive signs. The company condemns any form of fraud, abusive duplication or reproduction, counterfeiting, usurpation, or alteration of trademarks, distinctive signs, and works of creativity to protect both economic and moral rights of the author.

**4.8 Respect for the Environment**

*CDS s.r.l.*'s mission is to conduct its activities in a manner that balances economic needs with the environmental requirements of the communities where it operates. The Company prohibits any activities that lead to pollution of water, soil, and subsoil and commits to conducting its operations in full compliance with environmental standards set by its Environmental Management System, certified according to the UNI EN ISO 14001 standard.

In case of potential pollution incidents, the Company pledges to promptly intervene to manage emergencies and, if necessary, undertake remediation measures.

*CDS s.r.l.* prohibits any activities involving illegal trafficking of waste and selects only environmental service providers who possess the required authorization and qualifications.

## **5. SPECIFIC PRINCIPLES OF BEHAVIOUR AND CONDUCT**

The following are some specific principles of conduct referable to different types of Recipients and/or particular relationships with *CDS s.r.l.*

### **5.1 Behavioural Principles for All Employees**

The observance of the rules outlined in the Code is considered an integral and essential part of the contractual obligations for all employees of the Company, as per Article 2104 of the Civil Code (Diligence of the employee). To ensure the Code becomes a shared behavioural foundation throughout the organization, *CDS s.r.l.* requires its employees and collaborators to be knowledgeable about and compliant with it. Furthermore, they are tasked with promoting its understanding among newly hired employees and third parties they interact with for work-related purposes.

Employees are required to follow directives related to their roles as instructed by their superiors. However, if an order is clearly illegitimate, employees are encouraged to communicate the reasons for its illegitimacy to the company's management. It's important that employees refrain from carrying out orders that involve actions prohibited by law or constitute administrative offenses.

### **5.2 Relationships with Colleagues**

Each employee is responsible for ensuring that their personal relationships with colleagues do not negatively affect the workplace environment. *CDS s.r.l.* expects employees at every level and collaborators to cultivate a workplace atmosphere characterized by mutual respect for the dignity, honor, and reputation of everyone. The company will take action to prevent any disrespectful or defamatory interpersonal behaviour.

In their interactions with colleagues, employees are expected to:

- Treat all individuals with respect, regardless of their position or hierarchical level.
- Perform their duties in a collaborative manner with colleagues and third parties, while fully respecting the dignity and moral integrity of each person.
- Recognise that what may be acceptable behaviour for one person may not be so for another and adjust their conduct accordingly.
- Consider the potential impact of their words and actions, and how they may be perceived by others.
- Speak up honestly if they witness actions by colleagues or collaborators that they find offensive or disrespectful.
- Maintain an open approach to different perspectives, striving to overcome prejudices and embracing diversity in all forms.

In addition, Managers have the responsibility to:

- Base decisions concerning employees on merit, competence, and strictly professional criteria.

- Ensure the selection, hiring, training, compensation, and management of employees without any form of discriminant.
- Promote a work environment in which personal characteristics are not a source of discrimination.
- Cultivate openness to giving and receiving feedback. The feedback should be friendly, respectful, clear, constructive, and focused on goals and values rather than personal opinions.
- Adopt inclusive, effective, and productive practices for team members regardless of their location, utilizing asynchronous communication tools, and considering individual needs when scheduling meetings.

### 5.2.1 Selection and Recruitment of Personnel

All departments within *CDS s.r.l.* involved in the selection and recruitment of personnel must ensure:

- Adherence to transparent and impartial selection criteria.
- Verification of the alignment between candidates' profiles and the company's needs.
- The Application of regular employment practices.
- Respect for workers' rights to working conditions based on human dignity.
- Absence of any form of favouritism or nepotism.

### 5.3 Health and Safety in the Workplace

*CDS s.r.l.* is committed to protecting the physical and moral integrity of its employees and all individuals present in its workplaces, diligently adhering to current legislation on workplace health and safety regulations. The company conducts periodic analyses of its business processes to identify, eliminate, or control risk situations. Particular attention is given to raising awareness among employees and collaborators about prevention through proactive, educational, and informative actions. Each employee and collaborator are expected to personally contribute to maintaining safety and the quality of the work environment.

### 5.4 Use of Equipment, Devices, and Company Facilities

All *CDS s.r.l.* collaborators are required to operate diligently to safeguard company assets. To this end, they must protect, preserve, and defend the company's entrusted assets and resources within the scope of their work activities. They are responsible for appropriate use of such assets, preventing unauthorized use by third parties, and ensuring they are not used for improper purposes.

It is expressly prohibited to use company assets for personal needs or purposes unrelated to work, or for purposes contrary to legal norms, public order, or good conduct.

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**5.5 Preparation and Management of Company Accounting Documents**

In the activity of accounting and communicating facts relating the management of the Company, shareholders, employees, and collaborators strictly comply with the applicable laws and internal procedures to ensure that every operation is not only correctly recorded but also authorized, verifiable, legitimate, consistent, and appropriate.

In particular, in the preparation of corporate accounting documents and social communications, employees act according to the principles of diligence and loyalty. Diligence refers to the set of precautions and attention to be observed in the execution of the task. The obligation of loyalty includes the prohibition of: i) divulging information about the organization and operating methods; ii) using acquired knowledge in a manner that could harm the Company.

**5.5.1 Carefulness in Transactions**

Shareholders, employees, and collaborators of the Company are required to strictly adhere to laws, policies, and company procedures in any economic transaction they are involved in, ensuring full traceability of incoming and outgoing financial flows and full compliance with anti-money laundering laws.

Recipients of this Code must never engage in or be involved in activities that imply money laundering (i.e., the acceptance or processing of proceeds from criminal activities) in any form or manner, rigorously observing anti-money laundering laws. Employees and collaborators must proactively verify available information (including financial information) about business partners, consultants, and suppliers to ascertain their moral integrity, respectability, and the legitimacy of their activities before entering into business relationships with them.

**5.5.2 Taxation**

Recipients must comply with the prohibition on presenting incomplete, false, or altered documents or data to the Tax Authority, omitting information or documents due, engaging in misleading conduct, or accessing the Revenue Agency's computer service without the proper credentials or with the intention to provide incorrect data or alter entered data.

Communications and declarations to be sent to the Tax Authority must adhere to principles of correctness, adequacy, completeness, and compliance with general provisions on taxes and duties. In evaluating balance sheet items, the Company adheres to defined and objective criteria in accordance with accounting principles prescribed by international norms and best practices.

**5.5.3 Import ed export**

All activities and operations carried out by *CDS s.r.l.* must comply with current laws, as well as principles of correctness and transparency, aimed at preventing smuggling offenses. The Company commits to ensuring that the issuance of accounting or tax documentation is in line with the import/export operations conducted. Therefore, it is strictly prohibited to introduce, transport, hold, or exchange goods in violation of applicable customs laws, regulations, prohibitions, and restrictions.

**5.5.4 Giving/Accepting Gifts or Other Benefits (Anti-Corruption)**

No offer or gift, direct or indirect, of money, gifts, or benefits of any kind is allowed to executives, officials, or employees of clients, suppliers, and consultants with the purpose of influencing them in the performance of their duties and/or obtaining undue advantage, or that could even be interpreted as exceeding normal business practices or courtesies, or aimed to obtain preferential treatment in conducting any activities related to the Company.

Acts of commercial courtesy are permissible as long as they are of modest value or otherwise do not compromise the integrity or reputation of any party or could be interpreted by an impartial observer as seeking undue advantage or in an improper manner.

Recipients are prohibited to give gifts, donations, or sponsorships unless the amount and/or the beneficiary comply with what is formally defined and authorized based on the Company's powers and delegations system and in accordance with the guidelines set forth in corporate procedures.

**5.6 Relations with Public Administration and Regulatory Authorities****5.6.1 Towards Public Administration**

*CDS s.r.l.* commits to adopting, in its relations with the Public Administration and entities performing activities of public utility or public interest, the strictest compliance with applicable international, national, and corporate regulations.

The Company and every employee, collaborator, or consultant acting on its behalf must not attempt to improperly influence the decisions of the relevant institution to achieve acts either in accordance with or contrary to official duties, especially by offering or promising, directly or indirectly, gifts, money, favours, or any other benefits.

Any employee or collaborator who receive instructions to act in such a manner is required to immediately report this to the Company's Management.

*CDS s.r.l.* expects personnel responsible for requesting and submitting statements, documents, and information for the granting of contributions, subsidies, and financing to act in accordance with the law, preparing the necessary documentation without deceit or deception. The Company ensures that the grants provided are allocated for their intended purposes as requested.

### **5.6.2 Towards Supervisory and Regulatory Authorities**

*CDS s.r.l.* bases its relationships with Supervisory and Regulatory Authorities (of the Public Administration or authorized Entities) on maximum collaboration while fully respecting their institutional role. The company commits to promptly complying with their directives.

### **5.7 Supplier Relations**

The management of *CDS s.r.l.*'s suppliers must adhere to principles of impartiality, autonomy, and independence in order to avoid conflicts of interest, illegal practices, and behaviours that damage individuals and the entire company system.

To this end, *CDS s.r.l.* has adopted specific internal procedures and operating instructions governing relationships with suppliers. These concern supplier selection, qualification, documentation management, and control activities performed by purchasing personnel.

*CDS s.r.l.* does not accept the signing of contracts/purchase orders that violate this Code or are in conflict with current legislation concerning workplace safety and environmental protection.

In the context of contracts and supply of goods or services, employees at *CDS s.r.l.* are expected to:

- Follow internal procedures for supplier selection and management.
- Ensure fair competition by not excluding any qualified supplier from bidding for contracts at *CDS s.r.l.* Use objective evaluation criteria in the selection process, ensuring transparency and clarity.
- Choose products and services price that are competitively priced to the extent allowed by law.
- Adhere to contractual conditions agreed upon with suppliers.
- Maintain open communication with suppliers, aligning with good commercial practices.
- Report significant issues with a supplier to management promptly, allowing for timely evaluation and resolution if possible.

### **5.8 Customer Relations**

*CDS s.r.l.* is committed to maintaining transparent and effective communication with its customers, using the most appropriate and effective means of communication, any changes in contracts and variations in the economic and technical conditions of the product. Employees are expected to define and execute communications to customers as follows:

- 1) Ensure that communications are clear, simple, and easily understandable by customers.
- 2) Ensure that all communications adhere strictly to current regulations. Avoid using practices that are evasive or burdensome to customers.
- 3) Provide complete information without omissions or misleading statements. Customers should have all the necessary details to make fully informed decisions.

Every employee of *CDS s.r.l.* must avoid all situations and activities where conflicts of interest may arise with the interests of the company, or where their ability to make impartial decisions in the

best interest of the company may be compromised, in full compliance with the Code of Conduct rules.

It is not permitted to offer or provide directly or indirectly payments or material benefits of any kind to clients or individuals associated with them.

## 5.9 Relationships with Other Stakeholders

### 5.9.1 Trade Associations, Unions, and Political Parties

CDS s.r.l. does not contribute in any way to the financing of political parties, movements, committees, or political and trade union organizations, their representatives, or candidates. The company refrains from engaging in behaviours aimed at exerting direct or indirect pressure on political figures.

## 6. CODE VIOLATIONS

*CDS s.r.l.* promotes the prevention and verification of any unlawful conduct or actions contrary to the ethical and behavioral Code.

Employees are encouraged to openly and promptly report any violation or attempted violation of the Code. All reports are submitted to [gilberto.breda@cdsharness.com](mailto:gilberto.breda@cdsharness.com) following the **company's Whistleblowing procedure**.

Violations committed by employees regarding behavioural standards, procedures, and operating instructions derived from the general guidelines formalized in the Code are sanctioned in accordance with the rules of Labor Law, under the National Collective Bargaining Agreement applicable to *CDS s.r.l.* in the Metalworking Craft sector.

A specific violation will therefore constitute a disciplinary offense and, as such, will be prosecuted and sanctioned accordingly.