



THE ORIGINAL ONE

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# CODE OF BUSINESS ETHICS

(rev.02)



THE ORIGINAL ONE

AMENDMENTS APPROVED BY DECISION OF THE  
BOARD OF DIRECTORS ON 27<sup>th</sup> March 2017



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## **1. Introduction**

### **Goals**

Fully in tune with the position set forth and safeguarded by the value system it adopts, VMC SPA is aware of contributing through its business activities to the development process of the Italian economy and civil growth of the Country thanks to its sense of responsibility and moral integrity.

VMC SPA believes in the value of work and considers legality, fairness and action transparency as an adamant presupposition to the achievement of its own economic, productive and social goals.

VMC SPA's business activity consists in producing, engineering and manufacturing mechanical components for compressors, from valves to air-ends including integrated systems, inspired by and complying with the principles contained in this Code as well as declaring the freedom of establishing and pursuing no relationships with anybody clearly against its contents and spirit, infringing upon conduct rules.

### **Adoption**

VMC SPA has drawn up the following framework of rules in this Code concerning:

- behavior towards the market and environment, external stakeholders with whom VMC SPA interacts providing information about its internal and external activities and expecting their compliance with these guidelines
- company organization and management with the purpose of accomplishing an efficient and successful system of activity scheduling, performance and monitoring, thus ensuring the observance of conduct rules herein stated and avoiding any stakeholders' infringement.

The purpose is the achievement, as a mere example, of:

- the quality of activity offered to customers
- the customers' primary satisfaction
- compliance with laws and current regulations in the Country where the business activity is carried out
- compliance with statements in CCNL for employees/workers in the field of metal mechanics
- compliance with company rules and protocols
- professional growth of employees/workers, internal and external stakeholders
- safety and security of employees/workers, internal and external stakeholders
- open and fair competition

### **Dissemination**

Wide in-company circulation of the Code of Business Ethics is guaranteed, the latter being at disposal of any VMC SPA's stakeholders.



Each VMC SPA's internal and external stakeholder is encouraged to know about and comply with the rules of the Code. VMC SPA carefully checks that the Code is enacted, providing adequate tools of information, monitoring and prevention, and if necessary, intervening with corrective actions.

## **Update**

The Code can be modified and integrated, taking also into consideration the Surveillance Party's suggestions and remarks.

## **PART I**

### **2. Conduct Regulations**

#### **Section**

##### **Relations with outside stakeholders**

##### **Competition**

VMC SPA believes in open and fair competition, molding its actions towards the achievement of competitive results that reward skills, experience and efficiency.

VMC SPA and its stakeholders shall keep a fair conduct in doing business on behalf of the company and in relationships with Public Administration.

Any actions bound to modify the conditions of fair competition are against the company policy and are forbidden to any subjects operating on its behalf.

Under no circumstances can the pursuit of VMC SPA's interests be justified with the use of a conduct on the part of managers/directors or any other stakeholders non-complying with current laws and regulations included in this Code.

In any communication with the outside, VMC SPA's information shall be true, clear and verifiable.

##### **Relationships**

##### **With outside stakeholders**

VMC SPA's relationships with any public or private stakeholders shall comply with the law and the principles of fairness, transparency and verifiability.

No gifts, in any forms, are allowed, which may even slightly appear as an extra commercial standard activity or a courtesy sign or anyhow an action aiming at a special treatment in the performance of any activity.

No establishment of any personal relationships in view of favoritism, influence, interference affecting, directly or indirectly the outcome of a business relationship is allowed. Moreover, the offer of any commodities, even through a third party, is forbidden, unless it refers to a gift of extremely low value, in line with the allowed use, clearly not to be misread as a search for special treatment.



VMC SPA does not bestow any subsidies, benefits or other financial aids on political parties and trade unions, not even on their spokespeople, complying with current regulations.

### **With customers and buyers**

VMC SPA strives for an activity in the name of quality, basically meant as the achievement of customers' full satisfaction.

In its relationship with customers and buyers, VMC SPA ensures fairness and transparency in commercial negotiations and contractual obligations, as well as trustworthy and deliberate contract fulfilment.

In case of tenders, VMC SPA carefully assesses the adequacy and feasibility of the requested performance. Special care is given to technical and economic conditions, safety and security as well as the environment, underlying promptly, whenever possible, any anomalies.

A tender drawing-up is based on compliance with adequate quality standards, current regulations for safety and security and the environment along with satisfactory wage levels for employees/workers.

VMC SPA shall file a lawsuit only when its legitimate expectations are not fulfilled by stakeholders.

Any situations, during a negotiation, where the parties may be or appear to be involved in a conflict of interest, shall be avoided.

### **With suppliers**

Relationships with the company's suppliers, including financial and consulting agreements shall conform to the regulations of this Code and are steadily and accurately monitored by VMC SPA.

The organization avails itself of stakeholders operating in conformity to the current rules and regulations included in this Code.

### **Environment**

The management of VMC SPA's production activities is ruled by the current legislation referring to the environment.

VMC SPA undertakes to disseminate and consolidate among its stakeholders a culture of environmental safeguard and pollution prevention, with the purpose of developing risk awareness and promoting responsible behavior on the part of all internal and external stakeholders.

## **Section II**

### **Relationships with collaborators**

#### **Work**

VMC SPA acknowledges human resources as its core business, namely the main factor of success for any company within a framework of mutual loyalty and trust between employer and his/her stakeholders.



VMC SPA hires its whole staff with a regular work contract.

The work relationship is governed by the regulations set forth in the collective labor agreement of the field and social welfare rules as well as fiscal and insurance norms.

VMC SPA fosters ongoing professional improvement of its own employees/workers through training courses too.

### **Health and safety**

VMC SPA guarantees its stakeholders' physical and moral integrity, work conditions abiding by individual dignity, a safe, secure and healthy work environment, pursuant to current regulations about accident prevention and employees'/workers' protection in the workplace.

VMC SPA carries out its activity in such technical, organizational and business conditions that an adequate accident prevention is ensured together with a safe and healthy work environment.

VMC SPA undertakes to disseminate and consolidate a safety and security culture among its stakeholders, developing risk awareness and promoting everybody's responsible behavior.

### **Harassment and violence in the workplace**

VMC SPA undertakes to guarantee a workplace without harassment.

It tolerates neither harassment nor any form of psychological pressure, violence of any kind nor threats making people act differently from what the law states and the principles contained in the Code of Ethics.

Actions, jokes, offensive words or remarks based on sex, race, ethnicity, sexual orientation, age, religious faith or physical/psychical disability are held to be extremely serious and shall not be tolerated.

Moreover, it is strictly forbidden to introduce weapons or other dangerous objects into the workplace as well as company vehicles.

Should an employee/worker or any stakeholders be victim of harassment or violence, VMC SPA must be promptly informed in order to adopt the most convenient and appropriate measures and actions.

### **Employees'/workers' obligations**

This Code of Business Ethics represents an integral and substantial part to each worker's/employee's employment contract.

VMC SPA expects full adherence to the provisions indicated in this Code. Any violation implies the enactment of adequate penalty measures.

Therefore, employees/workers are urged to:

- act in accordance with the law and the provisions in the Code
- comply with internal protocols
- enact company policies in terms of information security in view of integrity, confidentiality and availability
- avoid situations that may cause conflicts of interest
- use the company's entrusted business assets with carefulness and moderation
- avoid any obstruction to the activity of supervision or review
- avoid any hindrance to the monitoring functions of public authorities
- report facts or evidence of Code breaching to the Surveillance Party pointing out all the infringement risks and their pertinence.



## **Employees/workers with responsibility positions**

Whoever is in charge of a leadership position, either a manager or director shall stand out as an example of appropriate behavior proving all stakeholders that compliance with the Code is an essential work aspect.

## **Information security**

All VMC SPA's employees/workers are urged to protect the company's confidential data and information, avoiding or hindering any disclosures or unauthorized use. The *company's own confidential information* comprises each piece of information or datum that the company uses in its entrepreneurship activity and that is generally unknown to the outside of the company itself.

Proceedings and materials containing *confidential information* shall be kept top-secret and shall not be copied or spread, not even among employees/workers, without specific authorization from Managing Directors. All confidential information shall be accessed through a password, when filed either electronically and/or in safe and locked wardrobes.

During its activities, VMC SPA gathers a remarkable amount of top-secret information (regarding customers, suppliers, staff) and commits itself to dealing with it in accordance with privacy protection laws.

## **Duty of impartiality and conflicts of interest**

Everybody in the company shall operate with impartiality, taking decisions with rigor and transparency to fulfill all company activities.

All shall reject any illegitimate pressure during the performance of their work.

Should any pressure, coax or request of special favors arise concerning one's own work or other colleagues' or should any biased proposal be brought up, one's own Supervisor and/or Surveillance Party must be informed.

All internal and external stakeholders shall avoid any situations which may jeopardize VMC SPA's interests or may interfere with the capacity of taking decisions impartially in the best interest of the company and in accordance with the statements in the Code. Especially any conflict of interest between private/family economic activities and the tasks carried out in the company shall be shunned.

Anybody who may hear about any slight possibility of a conflict of interest, infringement upon the Code of Business Ethics and/or laws or any suspicious behavior, namely any rather unfair operative conduct, is compelled to inform the Surveillance Party promptly and confidentially.

## **Business assets**

Employees/workers are urged to use business assets and resources they have access to or can avail themselves of, efficiently and properly in view of the safeguard of their value.

## **Environment, safety and security**

Employees/workers are encouraged to comply with all the regulations, procedures and internal protocols regarding environment, safety and security. Preeminently, any behavior clashing with the above-mentioned statements shall be avoided, including any actions that may jeopardize all VMC SPA's resources.

## **Management and use of IT systems**

All employees/workers are expected to adhere to all the regulations, procedures and protocols regarding the management and use of IT systems.

## **PARTE II**

### **3. Code enactment**

#### **Prevention**

Pursuant to current regulations and in view of a planning and management of company activities targeting efficiency, fairness, transparency and of course quality, VMC SPA adopts adequate organizational and management measures aiming at the prevention of any internal or external stakeholders' illegal behavior or at odds with the statements of this Code.

Considering VMC SPA's organizational complexity and the diversified branches of its activities, the company uses a proxy system of power and tasks, appointing people with clear competence and proven skills, assigning them specific tasks and fixed deadlines.

With reference to the boundary of a proxy, VMC SPA undertakes and enacts organizational and management models ensuring the performance of all activities in accordance with the conduct regulations of this Code as well as the discovery and prompt elimination of any dangerous and risky situations.

#### **Supervision**

VMC SPA avails itself of a specific supervision procedure regarding its internal and external stakeholders' behavior conformity to the law and current conduct regulations set forth in this Code.

#### **Surveillance Party**

A fair interpretation and enactment of this Code of Business Ethics including its disciplinary and statutory procedures requires the establishment of a Surveillance Party whose purpose is:

- to communicate the operating protocol regarding one's own tasks
- to promote the application of guidelines and operating measures
- to arrange communication programs and training courses for employees/workers in order to improve their knowledge of the Code
- to monitor VMC SPA's internal and external stakeholders' knowledge of the Code and its enactment
- to inspect any rumors about Code infringement
- to inform Managing Directors and the Board about test results in view of sanction enforcement.

#### **Sanctions and penalties**

VMC SPA's employees'/workers' compliance with the directives of the Code is to be considered as an essential part to fulfill their contractual obligations as indicated in Art. 2104 c.c. The breach of any regulations of the Code on the part of employees/workers can be acknowledged as non-fulfillment of the main obligations of their work relationship, otherwise an offense that shall be pursued by law.

**V. M. C. s.p.a.  
The Board**