



CODE OF ETHICS GRC Parfum Spa  
Lgs.D. 231/01

Form: CDE  
Revision: 1  
dated 23/12/2020



**CODE OF ETHICS  
GRC Parfum Spa  
(Lgs.D. 231/01)**

Rev. 1

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## Table of Contents

1	Introduction.....	4
1.1	Code of Ethics.....	4
1.2	Adoption of the Code of Ethics within the Scope of the Organization, Management and Control Model ex Lgs.D. 231/2001 .....	4
1.3	Compliance with the Rules.....	4
1.4	A Cooperative Approach of Transparency .....	5
1.5	Unethical Behaviours .....	5
1.6	The Value of a Good Reputation and Fiduciary Duties .....	5
1.7	The Value of Reciprocity.....	6
2	General principles .....	6
2.1	Impartiality.....	6
2.2	Fairness in Case of Potential Conflicts of Interest .....	6
2.3	Fairness in the relations with the Public Administration .....	6
2.4	Confidentiality.....	7
2.5	Relations with Shareholders.....	7
2.6	Value of the Resources .....	7
2.7	Fairness of Authority .....	7
2.8	Moral Integrity of Persons.....	8
2.9	Transparency and Completeness of Information .....	8
2.10	Diligence and Accuracy in the Fulfilment of Tasks and the Performance of Contracts.....	8
2.11	Fairness and Equity in the Management of Contractual Relations.....	8
2.12	Traceability and fairness of operations .....	8
2.13	Quality of services and products .....	9
2.14	Fair competition.....	9
2.15	Responsibility to the Community.....	9
2.16	Environmental Protection .....	9
2.17	Utilisation of Financial Resources .....	9
2.18	Caution .....	10
3	Criteria of conduct.....	10
3.1	Data Processing.....	10
3.2	Presents, Gifts and Benefits .....	10
3.3	Book-keeping and disclosure of economic, property and financial information .....	11
3.4	Communication to the Outside .....	11
3.5	Personnel Selection .....	12
3.6	Establishment of the Employment Relationship.....	12
3.7	Personnel Management .....	12
3.8	Measures Relating to Work Reorganisation .....	13
3.9	Safety and Health .....	13
3.10	Privacy Protection .....	14
3.11	Integrity and Protection of the Individual.....	14
3.12	The Collaborators' duties.....	15
3.13	Impartiality and Fairness in the Relations with Customers .....	16
3.14	Communication to Customers .....	16
3.15	Style of Behaviour of the Collaborators .....	16
3.16	Quality Control.....	16
3.17	The Customers' Involvement .....	17
3.18	Management of Credit Positions .....	17
3.19	The Supplier's Selection .....	17
3.20	Integrity and independence in the Relations with commercial Suppliers/Partners .....	18



CODE OF ETHICS GRC Parfum Spa  
Lgs.D. 231/01

Form: CDE  
Revision: 1  
dated 23/12/2020

3.21	Economic relations with parties, trade union organisations and associations.....	18
3.22	Contributions and Sponsorships .....	19
3.23	Institutional Relationships.....	19
3.24	Relations with the Public Administration.....	19
3.25	Antitrust and Regulatory Bodies .....	20
3.26	Management of electronic media functional to services.....	20
3.27	Tax offences .....	21
4	Terms of implementation .....	21
4.1	Supervisory Board .....	21
4.2	Tasks of the Supervisory Board for implementing and controlling the Code of Ethics.....	21
4.3	Communication and training .....	22
4.4	Reports to the Supervisory Board .....	22
4.5	Violations of the Code of Ethics .....	22

Table of Contents not updated



## **1 Introduction**

### **1.1 Code of Ethics**

The Code of Ethics expresses the ensemble of the obligations and ethical responsibilities in conducting business and business operations in general (collectively "Business Operations") of GRC PARFUM S.P.A. (the "Company").

The Recipients of the Code of Ethics are the Company's collaborators, whether they are the directors, the employees, the external collaborators, the independent contractors, the consultants and the business partners actively giving their support in the performance of the so-called sensitive activities and, anyway, all the parties operating under the Company's management and supervision (all the aforesaid parties, collectively, the "Recipients").

The principles and rules of conduct of the Code of Ethics enrich decision-making processes and vocational training and steer the Company's behaviours; the said rules and principles are binding for the Recipients, within the scope of the performance of the Business Operations and they are required to be such also for External Contact Partners (as defined by art. 1.4. of this Introduction).

The Code of Ethics consists of:

- ◆ general principles on the relationships between the Company and the Recipients, among the Recipients internally and on the relationships with the External Contact Partners; the said principles define the values of reference in the Company's Business Operations;
- ◆ criteria of conduct specifically supplying the guidelines and rules the Company and the Recipients are obliged to comply with for observance of the general principles and to prevent the risk of any unethical behaviour;
- ◆ mechanisms necessary to implement, monitor and widespread the observance and compliance with the Code of Ethics and essential to ensure its constant improvement

### **1.2 Adoption of the Code of Ethics within the Scope of the Organization, Management and Control Model ex Lgs.D. 231/2001**

The Company - fully aware of the need to ensure conditions of fairness and transparency in conducting Business Operations and to provide for the Recipients' ethical responsibility - has adopted this Code through the Board of Directors' resolution.

Moreover, the Company requires the Company's main suppliers and customers to behave in compliance with the principles set forth by this Code of Ethics.

The Code of Ethics is approved within the scope of the adoption by GRC PARFUM S.P.A. of the Organization, Management and Control Model ex Lgs.D. 231/2001, of which the Code of Ethics forms an integral part.

### **1.3 Compliance with the Rules**

The Company and all Recipients undertake to observe:

- a) all the laws and rules in force in each Country or context where the Company is carrying out its own Business Operations,



- b) the Code of Ethics (and the provisions of the Model as per item 1.2. above, of which the Code of Ethics forms an integral part) and
- c) the internal regulations applicable from time to time (collectively "Rules").

Any behaviour in infringement of the Rules, which may give rise to a risk of the Company's involvement, must be immediately interrupted and reported to GRC PARFUM S.P.A.'s Supervisory Board.

The conviction of acting in favour of the Company can in no way justify any behaviour contrary to the principles laid down by this Code of Ethics, whose general observance is of fundamental importance for the Company's good operation and prestige.

#### **1.4 A Cooperative Approach of Transparency**

The Company aims to maintain and develop the relationship of confidence and transparency:

- a) between the Company and the Recipients,
- b) among the Recipients internally, and
- c) in the relationships with the Company's external contact partners, referred to as the categories of individuals, groups, private and public associations or institutions, including - but not limited to - customers and suppliers, whose commercial, administrative and financial contribution in general is required to achieve the Company's purpose or who have any way an interest or a role in the pursuit of the corporate purpose ("External Contact Partners").
- d) in the relationships with the audit company, the corporate bodies, the supervisory authorities or any other control body in order to ensure the correct and complete performance of control and audit activities.

#### **1.5 Unethical Behaviours**

On conducting Business Affairs, unethical behaviours compromise the relationship of confidence between the Company and the Recipients, among the Recipients internally and with the Company's External Contact Partners; the behaviours of anyone trying to appropriate the benefits of other people's collaboration by exploiting positions of strength are unethical and favour the assumption of hostile attitudes towards the Company.

#### **1.6 The Value of a Good Reputation and Fiduciary Duties**

Good reputation is an essential intangible resource and:

- a) outside the company, it favours the shareholders' investment, the customers' loyalty, the attraction of the best human resources, the suppliers' serenity, the reliability with regard to creditors and effectiveness in the relations with External Contact Partners;
- b) inside the company, it makes it possible to take and implement any decision without causing any friction among the Recipients as well as to organise the work without any bureaucratic control and excessive exercise of authority.



The Code of Ethics is one of the elements preparatory to the Company's good reputation and its effective observance is therefore proposed as one of the essential terms of comparison, on the basis of which to judge the Company's reputation.

### **1.7 The Value of Reciprocity**

This Code is characterised by an ideal of cooperation in view of a mutual benefit of the parties involved, in observance of everyone's role.

The Company therefore requires every single Recipient and External Contact Partner to act according to principles and rules inspired by a similar idea of ethical conduct.

## **2 General principles**

### **2.1 Impartiality**

In the decisions that impact on the relations with Recipients and External Contact Partners, including - but not limited to - the choice of which customers to serve, the relations with shareholders, the personnel management or work organisation, the selection and management of suppliers, the relations with the surrounding community and the institutions, the Company avoids any kind of discrimination based on age, gender, state of health, race, nationality, political opinions and religious beliefs.

### **2.2 Fairness in Case of Potential Conflicts of Interest**

On conducting Business Operations, it is always necessary to avoid any situation in which the parties involved in transactions are or may even simply appear in conflict of interest.

This means both the case in which a Recipient pursues an interest other than the Company's directives and the balance of the shareholders' interests or "personally" takes advantage of the Company's business opportunities and the case in which the External Contact Partners' representatives act contrary to the fiduciary or institutional duties related to their position.

### **2.3 Fairness in the relations with the Public Administration**

The parties empowered to represent the Company before public administrations and officials, either foreign or belonging to international organisations, must be inspired by the principles of fairness, transparency and legality without any way compromising GRC PARFUM S.P.A.'s integrity or reputation.

Employees are not allowed to offer or give any third party (including any representative of the Italian or foreign Public Administration, their relatives or alike) a direct or indirect advantage by unfairly influencing economic decisions through the payment of any amount of money and through other means, which may give rise to an interest or advantage for the Company.



The Company condemns any behaviour intended to obtain any kind of contribution, loan or any other money supply from the Public Administration (European Community, State, Local Bodies) through untruthful statements and/or documents or through the omission of information intended to mislead the supplier of resources.

## **2.4 Confidentiality**

The Company ensures the confidentiality of the information in its possession and abstains from searching for confidential information, unless it is explicitly and consciously authorised to do so and, anyway, without prejudice to the legal limits. Moreover, the Recipients are required not to use confidential information for any purpose not related to the conduct of their own business.

## **2.5 Relations with Shareholders**

The shareholder is not only a source of financing, but a party with moral opinions and preferences of various kind and he/she requires all relevant available information to focus on investment decisions and corporate resolutions.

The Company creates the conditions to allow the shareholders to be extensively and consciously involved in the decisions of their competence, promotes equal access to information and protects the shareholder against any action any coalition of shareholders may start for prevalence of their special interests; moreover, the Company strives to ensure that the economic-financial performance can safeguard and increase the company's value in order to properly remunerate the risk the shareholders take by investing their own capital.

## **2.6 Value of the Resources**

The Company undertakes to enhance its own resources necessary to achieve its purpose and - according to the said purpose - the Company promotes the value of the resources to improve and increase the assets and the competitiveness of the expertise in its possession.

## **2.7 Fairness of Authority**

Concerning contractual and organisational relations that imply the establishment of hierarchical relationships within the Company, whoever may occupy a hierarchically higher position undertakes to ensure that authority is exercised in a fair and just manner, avoiding all forms of abuse. In particular, the Company guarantees that the authority fails to exercise its power in a way that may be harmful to the collaborator's dignity and independence and that choices relating to work organisation are such as to safeguard the value of collaborators.



## **2.8 Moral Integrity of Persons**

The Company undertakes to protect the Recipients' moral integrity by offering working conditions that are respectful of individual dignity as well as safe and healthy workplaces; as a consequence, requests or threats aimed at inducing persons to act against the law and the Code of Ethics or to behave in a manner that may be harmful to the moral and personal convictions and preferences of everyone will not be tolerated in any way.

## **2.9 Transparency and Completeness of Information**

The Recipients are required to supply complete, correct, transparent, understandable and accurate information in such a way that - on establishing the relations with the Company - the Contact Partners of any kind can take independent decisions fully aware of the interests involved, the alternatives and consequences of significance. On entering into contractual relationships, the Company takes care of informing the contracting party on how to behave under all the circumstances laid down, in a clear and intelligible form.

## **2.10 Diligence and Accuracy in the Fulfilment of Tasks and the Performance of Contracts**

Contracts must be executed and work assignments carried out as deliberately set out by the parties; the Company undertakes not to take advantage of the conditions of the opposing parties' ignorance or incapacity.

## **2.11 Fairness and Equity in the Management of Contractual Relations**

Whoever may act in the name and on behalf of the Company must not be allowed to try to take advantage of contractual gaps or unexpected events to re-negotiate the contract for the sole purpose of exploiting the position of dependence or weakness, in which the Contact Partner has come to find itself.

Moreover, on starting business relations with new suppliers/customers and on managing already existing ones, based on the available information, it shall be avoided to keep any relation with actors involved in unlawful activities, in particular related to money laundering, terrorism, organised crime and, anyway, with people not fulfilling the necessary requirements for seriousness and reliability.

## **2.12 Traceability and fairness of operations**

All operations and transactions, in the broadest sense of the word, must be authorised and recorded in observance of the principles of honesty and impartiality. The Company's collaborators are required to act with due diligence to make sure that the activities carried out are supported by authorisation procedures and by documentary and/or electronic evidence.





The Company promotes the principle of proper behaviour in business activities in such a way that any behaviour that may favour money laundering, receiving of stolen goods and utilisation of assets, money and benefits from an unlawful source is forbidden, even in collaboration of third parties, if any.

### **2.13 Quality of services and products**

The Company focuses its own activity on the satisfaction and protection of its own customers by paying attention to the requests that may help to improve the quality of products and services and, in this respect, the Company directs its own R&D and marketing activity towards high quality standards for its own services and products.

### **2.14 Fair competition**

The Company plans to safeguard the value of fair competition by refraining from any collusive and predatory behaviour and of abuse of dominant position and it undertakes to report any practice intended to reduce free competition on the market to competent bodies through proper reporting tools.

### **2.15 Responsibility to the Community**

The Company is fully aware of the impact its activities may have on the conditions and general welfare of the community and, in this respect, it acts through a strict self-control programme for compliance with the Code of Ethics.

### **2.16 Environmental Protection**

The Company undertakes to observe the environmental laws and rules in force in any country where its activity is carried out.

### **2.17 Utilisation of Financial Resources**

The Company requires all the parties using the Company's financial resources to act according to criteria characterised by lawfulness and fairness and to inform the Supervisory Board on their use, when necessary or reasonably appropriate.

It is forbidden to replace or transfer money, assets or other benefits coming from illegal activities; i.e. to carry out other operations in relation thereto so as to hamper the identification of their origin. Moreover, it is forbidden to use the a.m. assets in economic or financial activities.

For this purpose, the Company and its employees shall never carry out or be involved in activities that may imply money laundering (i.e. the acceptance or management) of revenues from criminal activities in any form or manner.



The information (including financial information) made available on trade partners and suppliers must be checked as a precautionary measure in order to ascertain their respectability and the lawfulness of their activity before establishing any kind of business relation with them.

Moreover, it is forbidden to put in circulation fake or counterfeit bills, coins, public credit cards, official stamps and watermarked paper.

Whoever may receive counterfeit or stolen bills, coins or public credit cards by way of payment, as a result of any relationship attributable to the Company is obliged to inform his/her own superior so as to file all necessary reports.

Moreover, the Company makes sure that the subsidies, contributions or loans obtained are used for the purposes for which they have been requested and granted.

In the face of the funds received, the Company strictly observes the commitments to the suppliers of resources and the relative due dates agreed.

## **2.18 Caution**

The Company requires the Recipients to act with full awareness of the risks and with the aim of sound management thereof. This principle is expressed by a prudent conduct, above all when one's own actions and decisions may give rise to a damage to people or things.

## **3 Criteria of conduct**

### **3.1 Data Processing**

Any information on Business Operations, Recipients and External Contact Partners must be processed in full observance of the concerned parties' confidentiality and privacy on the protection level required by the rules of law for each kind of information; policies and procedures specific for the protection of information are enforced and constantly updated for this purpose; in particular, the Company:

- ◆ defines a data processing organisation that ensures the correct separation of roles and responsibilities;
- ◆ classifies the information by increasing levels of criticality and adopts proper countermeasures at each stage of processing;
- ◆ ensures that the third parties involved in processing information enter into confidentiality agreements.

### **3.2 Presents, Gifts and Benefits**

No form of present, gift or benefit is permitted that can be even simply interpreted as exceeding normal business or courtesy practices or anyway given with the intention of receiving preferential treatment in the pursuit of any activity that can be connected with the Company; in particular, it is forbidden to make any form of present, gift or benefit to Italian and foreign public officials or their



relatives such that can influence their independent judgement or lead to the attainment of any kind of advantage.

This rule, which does not permit derogations (not even in the countries where it is common practice to offer gifts of value to business partners) concerns both gifts that are promised or offered and gifts that are received; it is specified that gift means any kind of benefit.

However, the Company abstains from practices that are not allowed by the law, by good commercial practice, or by the codes of ethics - if known - of the companies or bodies with which it maintains relations.

The gifts offered - unless those of modest value - must be properly documented to allow verification and authorised by the department manager, who shall notify the Supervisory Board.

In accordance with the procedures laid down, the Recipients, who receive gifts or benefits not classified as permissible, are required to notify the Supervisory Body, which will evaluate the appropriateness thereof and notify the sender of the Company's relevant policy, if deemed necessary.

### **3.3 Book-keeping and disclosure of economic, property and financial information**

The Company undertakes to maintain a reliable administrative-accounting system in order to arrange and publish accurate and complete economic and financial data for a clear, truthful and correct representation of management transactions, in implementation of the general principles of transparency and completeness of information and prudence.

Moreover, the Company undertakes to arrange and use proper tools to identify, prevent and manage any kind of risk, fraud and misconduct.

In respect to their role in the Company, the Recipients undertake to ensure that accounting entries and the relative documents are always based on accurate, exhaustive and verifiable information and reflect the nature of the operation they are referred to in observance of external constraints (rules of law and accounting standards) as well as the policies, internal regulations and procedures; moreover, they must be accompanied by the relative supporting documentation necessary for objective analysis and verification.

All the Recipients - any way involved in the preparation of the financial statements and other corporate communications provided for by the law - shall behave in a correct, transparent and collaborative manner, in observance of laws, rules and corporate procedures, in order to supply the Shareholders and any third party concerned in general with true and fair information on the Company's economic, property and financial situation.

### **3.4 Communication to the Outside**

The Company's communication to the outside is characterised by the observance of the right to information and in no case it is allowed to disclose false or biased news or comments; each communication activity observes laws, rules and business conduct practice and it is carried out in a clear, transparent and prompt manner while protecting, among the others, price sensitive



information and industrial secrets. Means of communication shall avoid exercising any form of pressure and assuming any kind of preferential attitude.

### **3.5 Personnel Selection**

The staff for recruitment are evaluated on the basis of the consistency between the profiles of candidates and expectations and according to the company's requirements, in observance of the principle of equal opportunities for all concerned parties; the information required is strictly related to the verification of the aspects established by the professional and psychometric profile, with respect for the private sphere and the candidate's opinions. Within the limits of available information, the General Management adopts the measures necessary to avoid favouritism, nepotism or any form of clientelism during selection and engagement.

### **3.6 Establishment of the Employment Relationship**

The personnel are engaged by virtue of a regular labour contract and no form of irregular employment is tolerated; as soon as the employment relationship is established, every single collaborator receives accurate and clear information on:

- ◆ the features of the function and the tasks to be fulfilled;
- ◆ elements for regulation and remuneration, as governed by the applicable collective labour contract;
- ◆ rules and procedures to be adopted in order to avoid any possible health hazard associated with the working activity;
- ◆ an abstract from the Company's Code of Ethics.

### **3.7 Personnel Management**

The following principles are applicable for the personnel management, without prejudice to the enforcement of the general rules imposed by this Code of Ethics:

- a) the Company avoids any form of discrimination against the collaborators and within the scope of the processes for the personnel management and development, just as at the selection stage, the decisions are taken on the basis of the consistency between profiles expected and profiles held by the collaborators and/or considerations of merit;
- b) access to roles and tasks is also established in consideration of expertise and capacity;
- c) the engagement of former Public Administration employees, relatives or alike and representatives thereof is subject to a careful evaluation by the functions delegated to do so;
- d) collaborators are evaluated on an extended scale by implying the people in charge, the Personnel Management and, as far as possible, the subjects who have entered into relationship with the staff member under evaluation;

- e) the General Management acts within the limits of available information and within the scope of privacy protection to prevent any form of nepotism;
- f) the people in charge use and fully enhance all the professional figures inside the company by pulling the available levers to foster their own collaborators' development and growth and, in this context, the disclosure by the people in charge of the collaborator's strong and weak points acquires particular importance because it enables the collaborator to strive for improvement of his/her skills even through targeted training sessions;
- g) the Company puts information and education tools at the disposal of all collaborators with the purpose of enhancing specific skills;
- h) every single manager shall enhance the collaborators' work time by requiring them to render a service consistent with the fulfilment of their tasks and in accordance with work organisation plans;
- i) it constitutes an abuse of the position of authority to require the hierarchical superior to perform services and to do personal favours as a due act or to behave in any manner that may be in breach of this Code of Ethics;
- j) the involvement of the collaborators in carrying out the work is ensured even by enabling them to take part in discussions and decisions functional to the achievement of the corporate objectives and each collaborator shall participate with spirit of collaboration and independence of judgement;
- k) the fact of listening to different points of view - compatibly with the Company's needs - allows the manager to take final decisions; however, the collaborator shall always take part in the implementation of the activities laid down.

### **3.8 Measures Relating to Work Reorganisation**

The value of human resources is safeguarded in case of work reorganisation by planning, where necessary, vocational training and/or retraining sessions and by complying with the following general criteria:

- ◆ ensures that the third parties involved in processing information enter into confidentiality agreements.
- ◆ work reorganisation tasks must be assigned as uniformly as possible among all collaborators, consistently with the efficacious and efficient performance of the business activity;
- ◆ in case of new or unexpected events, which must be any way explicitly stated, the collaborator can be assigned to tasks other than those fulfilled before while taking care of safeguarding his/her professional skills.

### **3.9 Safety and Health**

The Company undertakes to observe the regulation in force on safety at work and, to achieve this goal, it undertakes to disseminate and consolidate a safety culture by developing awareness of



risks and by promoting all collaborators' responsible behaviour; moreover, the Company acts to preserve the workers' health and safety, mainly by taking preventive measures.

However, the Company observes the provisions according to Lgs.D. no. 81/2008 (Consolidated Law on Safety and its subsequent additions and amendments). For this purpose, the Company takes technical and organisational measures concerning:

- ◆ the introduction of a risk and safety management system;
- ◆ a continuous analysis of the risks and critical aspects of the processes and resources to be protected;
- ◆ the adoption of the best technologies designed to prevent the emergence of risks concerning the workers' safety and/or health;
- ◆ the control and update of working methods;
- ◆ the performance of activities for education and communication.

### **3.10 Privacy Protection**

The collaborators' and the customers' privacy is protected by adopting standards specifying the information the Recipients are required by the Company to supply and how to provide for data processing and retention, excluding any survey on the collaborators' and the customers' ideas, preferences, personal tastes and private life.

Moreover, the said standards establish the prohibition on disclosing / circulating personal data without the concerned party's consent, without prejudice to the cases provided for by the law, and they set the rules for every single collaborator and customer to check the regulations on privacy protection; in case of sensitive data processing, according to Lgs.D. 196/2003 and EU-Regulation 2019/679, the Company adopts all necessary precautions and fulfils all the obligations prescribed by the Law.

### **3.11 Integrity and Protection of the Individual**

The Company undertakes to safeguard the collaborators' moral integrity by ensuring the right to working conditions respectful of human dignity; for this reason, it protects workers against any act of psychological violence and it combats any attitude or behaviour discriminatory or injurious of the person, his/her beliefs and preferences.

Sexual assault is not permitted and any behaviour or argument that may upset the sensibilities of the individual must be avoided.

The Company's collaborator, who believes that he/she has been subjected to harassment or discriminated for reasons related to age, gender, race, state of health, nationality, political opinions or religious beliefs, may report the event to his/her immediate superior, who will serve notice to the Supervisory Board to evaluate whether the Code of Ethics has been actually violated or not.

However, any disparity, not validated by the a.m. reasons, is not considered as discriminatory if justified or justifiable on the basis of objective criteria.

### 3.12 The Collaborators' duties

Without prejudice to the observance of the general rules supplied by this Code of Ethics, the duties of the Company's collaborators comply with the following principles:

- a) The collaborator shall act loyally in order to observe the obligations signed in the labour contract and the provisions of the Code of Ethics as well as ensure that he/she will perform as required;
- b) the collaborator shall know and implement the provisions of the corporate policies on information security to guarantee their integrity, confidentiality and availability; he/she is required to process his/her documents by using a clear, objective and exhaustive language and by allowing for any check by colleagues, managers or external entities authorised to make such a request;
- c) the Company's collaborators are required to avoid any situation in which a conflict of interest may occur and to abstain from personally taking advantage of any business opportunity they may have come to learn about during the fulfilment of their own functions; the following situations may give rise of a conflict of interest, including but limited to: (i) to fulfil a function at the top and to have an economic interest with suppliers, customers or competitors even through relatives, (ii) maintain the relations with the suppliers and to carry out a working activity, even through relatives, at the suppliers', (iii) accept money or favours from people or concerns who have established or plan to establish business relationships with the Company;
- d) if even the semblance of a conflict of interest should manifest itself, the collaborator is required to report to his/her manager, who - in accordance with the procedures laid down - shall inform the Supervisory Board and the said board shall check whether the conflict is actually present or not on a case-by-case basis;
- e) moreover, the collaborator is required to supply information on the activities carried out outside working hours if the said information should concretely appear to be in conflict of interest with the Company;
- f) every single collaborator is required to act with due diligence to protect the corporate assets by behaving responsibly and in compliance with the operating procedures in place to rule the use thereof and by documenting their use accurately. In particular, every single collaborator shall (i) use the assets he/she has been assigned with parsimony and diligence by paying special attention to the management of the Company's financial resources he/she may be in possession of and (ii) avoid misusing the corporate assets that may damage or reduce efficiency or any way clash with the company's interest;
- g) every single collaborator is responsible for the protection of the resources he/she has been assigned and has the duty to promptly inform the relevant units of any risk of event that may be harmful for the Company;
- h) the Company reserves the right to avoid any misuse of its own assets and infrastructures by using accounting and reporting systems for financial control and analysis as well as prevention of risks, without prejudice to the observance of the provisions laid down by the laws in force;



- i) as regards IT applications, every single collaborator is required to: (i) carefully observe the provisions of the company's security policies not to compromise the functionality and protection of IT systems; (ii) use the Company's IT tools to improve his/her own technical knowledge; (iii) avoid using the Company's IT tools to visit Internet sites of a low moral content or using the said tools to disseminate personal and confidential information as well as any other material of the Company.

### **3.13 Impartiality and Fairness in the Relations with Customers**

The Company undertakes not to discriminate its own customers arbitrarily. Any negotiation with customers is carried out in observance of the regulatory principle of contractual good faith, proper fulfilment of mutual obligations and prompt communication of any amendment to the general contractual conditions established by the Company, including - but not limited to - any economic and technical variation in the scope of the performance for any reason whatsoever; however, ambiguous or, anyway, incorrect practices are to be avoided in any case.

Moreover, the company undertakes not to maintain any customer relationship with (natural or legal) persons potentially linked to terrorism or controlled by persons linked to terrorism, organised crime or controlled by persons connected with the a.m. persons.

### **3.14 Communication to Customers**

The communications to the Company's customers, including advertising messages and the content of the corporate Internet site, are:

- ◆ clear and simple, expressed with a language as close as possible to the one generally used by contact partners;
- ◆ compliant with the rules in force without having to resort to ambiguous or, anyway, incorrect practices;
- ◆ complete so as not to neglect any element of significance for the purpose of the customer's decision;
- ◆ truthful and not deceptive as to the content and the means of communication.

### **3.15 Style of Behaviour of the Collaborators**

The style of behaviour of the Company and its collaborators towards the customers is characterised by helpfulness, respect and courtesy, in view of a highly professional collaborative relationship.

### **3.16 Quality Control**

The Company undertakes to ensure adequate quality standards of the services/products offered on the basis of pre-defined levels and to monitor subjective quality at regular intervals.





### **3.17 The Customers' Involvement**

The Company undertakes to always react to the suggestions and complaints from the customers and the associations for their protection by using proper and prompt communications systems and the Company is responsible for informing the customers on the receipt of their communications and on the time necessary to reply to them, which shall be any way short. A control system for the procedures regulating the relationship with the customers is in place to guarantee the observance of the said standards of behaviour.

### **3.18 Management of Credit Positions**

The Company undertakes not to abuse its creditor positions towards its own customers in order to take advantage or any other kind of benefit thereof.

The Company acts for credit recovery according to objective and documentable criteria by applying the following principles:

- ◆ to start recovery procedures from older creditor positions;
- ◆ to inform the debtor on the position and the amount of the receivables in advance.

The Company shall facilitate the amicable settlement of any dispute as far as this is compatible with its interests.

### **3.19 The Supplier's Selection**

Without prejudice to the application of the general rules laid down by this Code of Ethics, purchase processes are based on the following criteria:

- a) to search for the maximum competitive advantage for the Company, to grant equal opportunities to each supplier as well as to ensure fairness and impartiality;
- b) in particular, the collaborators in charge of such processes are required (i) not to exclude from a contract-award competition any supplier meeting the prescribed requirements, and adopt objective and documentable criteria in the choice of a short list of candidates, and (ii) to ensure sufficient competition;
- c) for a few merchandise categories, the Company may have a register of suppliers, whose qualification criteria shall not constitute a barrier to access;
- d) reference requirements shall include: (i) the availability – properly documented - of means, even financial ones, organisational structures, project-related capabilities and resources, know-how; (ii) the existence and actual implementation of suitable corporate quality systems, where provided for by the Company's specifications;
- a. the Company reserves the right, without prejudice to any other possible supplier, to establish privileged relations with all the persons making ethical commitments and assuming ethical responsibilities that are in line with those adopted by the Company in this Code of Ethics.

### 3.20 Integrity and independence in the Relations with commercial Suppliers/Partners

The Company undertakes not to discriminate its own suppliers arbitrarily. Any negotiation with suppliers is carried out in observance of the regulatory principle of contractual good faith, proper fulfilment of mutual obligations and prompt communication of any amendment to the general contractual conditions established by the Company, including - but not limited to - any economic and technical variation in the scope of the performance for any reason whatsoever; however, ambiguous or, anyway, incorrect practices are to be avoided in any case.

Every single supplier contractually declares that they all share the principles set forth by this Code and they undertake to observe them. Any violation of the principles established herein represents a contractual non-fulfilment, under penalty of termination of the contract in force.

The relations with suppliers shall be constantly monitored by the Company and its relevant bodies and the conclusion of a contract with a supplier shall:

- ◆ always be based on extremely clear relationships while avoiding any form of dependency, where possible.
- ◆ To ensure the highest degree of transparency and efficiency in the purchase process, the Company shall be inspired by the following principles:
- ◆ a separation of roles between the department requiring a supply and the department making a contract
- ◆ a proper traceability of any choices.

Information as well as official procurement and contractual documents shall be kept for three years, without prejudice to any longer period required by the applicable law.

The Company's relations with its business *partners* shall be characterised by the strict observance of laws, market rules and the guiding principles of fair competition so as to oppose any form of potentially unlawful or collusive agreement or behaviour.

The company's employees and collaborators don't carry out any commercial and/or financial operation - both directly and through a third party - with (natural or legal) persons potentially linked to terrorism, organised crime or controlled by persons connected with the a.m. persons.

### 3.21 Economic relations with parties, trade union organisations and associations

The Company shall not finance any political parties or associations, whether in Italy or abroad, their representatives or candidates, let alone sponsor congresses or festivals, whose sole purpose is political propaganda. It shall also abstain from exercising any direct or indirect pressure on political leaders. The Company shall grant no contributions to organisations, with which a conflict of interest may arise.

However, forms of cooperation – including financial cooperation – may be established with the above organisations for specific projects based on the following criteria:

- ◆ the objective is in line with the Company's purpose;
- ◆ there is a clear and documentable use of resources;
- ◆ an explicit authorisation is received from the functions in charge of managing those relations within the Company.

### 3.22 Contributions and Sponsorships

The Company is allowed to meet any requests for contributions limited to proposals from overtly non-profit bodies and associations with regular articles of association and memoranda of incorporation and with high cultural value.

Sponsorship activities that may concern social issues, environment, sports, entertainment and art shall only be designed for high-quality events, in the organisation of which the Company may take part so as to ensure their originality and effectiveness.

However, on choosing the proposals for a possible sponsorship, the Company shall pay special attention to any possible conflicts of interest at a personal or corporate level.

### 3.23 Institutional Relationships

All relations with institutions, even international ones, will only rely on forms of communication intended to assess the impact of a legislative and administrative action on the Company, to reply to any informal request and inspecting parliamentary action or, anyway, to disclose the position on matters of significance for the Company.

To that end, the Company undertakes to:

- ◆ establish – without any type of discrimination – stable communication channels with all institutional contact partners at international, community and local level;
- ◆ represent the Company's interests and positions in a transparent, rigorous and consistent manner while avoiding any collusive attitude.

In order to ensure the maximum level of clarity in relations, contacts with institutions are only established through the reference partners who have received an express mandate from the Company's top management.

### 3.24 Relations with the Public Administration

The Company's relations with the local, national, community and international Public Institutions are maintained by the sole Recipients in charge, in observance of the regulation in force.

In case of participation in calls for tenders for contributions or subsidies or, in general, in case of request for any benefit from the Public Administration, the Company intends to act in accordance with the law and with the utmost transparency. Without prejudice to all the obligations imposed by the regulation in force, it is forbidden for the Recipients to carry out the following actions (directly or indirectly) during the relations with Public Institutions and Public Officials:

- ◆ examine or propose employment and/or commercial opportunities that can personally benefit the employees of Public Institutions or Public Officials or secure them any kind of benefit;
- ◆ offer or, anyway, supply, accept or solicit gifts, favours or commercial or behavioural practices that are not characterised by the highest degree of transparency, fairness and loyalty and, in any case, not complying with the applicable regulation in force;



- ◆ promise or offer Public Officials, the people in charge of a Public Service or the employees of the Public Administration or other Public Institutions in general money, assets or, more in general, benefits of various nature by way of compensation for their public office in order to promote and favour the Company's interests or their own or to obtain the execution of any deed contrary to the duties of their office;
- ◆ solicit or obtain confidential information that may compromise the integrity or reputation of either party or that any way violate the principle of equal treatment and the public tender procedures started by Public Institutions or Public Officials.

In general, the Recipients are required to observe the law and the principle of maximum transparency, clarity and fairness in their relations with the Public Institutions and the Public Administration in order to avoid any partial, false, ambiguous or misleading interpretations by the institutional actors, with which relations are established for various reasons.

The statements made to the Institutions and to the Public Administration must include absolutely truthful elements only; they shall be complete and based on valid documents in order to guarantee their correct evaluation by the Public Institution and the Public Administration concerned.

### **3.25 Antitrust and Regulatory Bodies**

The Company fully and strictly observes the antitrust rules and provisions issued by market regulatory authorities, if applicable and it is required to communicate all its antitrust-related initiatives.

In this respect, the Company shall not refuse, conceal or delay any piece of information the antitrust authority and any regulatory body may request to provide during the fulfilment of their inspection tasks and actively collaborate in any investigative proceedings.

To ensure the highest degree of transparency, the Company undertakes to avoid all conflicts of interest with the employees of any Authority and their relatives.

### **3.26 Management of electronic media functional to services**

The Company considers the security and suitability of the conditions for the management and maintenance of infrastructures (rooms, electronic media, etc.) as elements to be safeguarded and pursued in view of continuous improvement. The Company's activity is intended to observe the rules in force and to adopt a behaviour characterised by fairness and efficiency.

As a consequence, the Company ensures an (efficient) management of information and information systems within the scope of corporate processes and it considers this aspect as:

- ◆ an essential element to offer the customers a "complete" service;
- ◆ a source of competitive advantage for the company.

To enable the information between the parties to observe the principles of availability, accuracy, promptness, flexibility and traceability, the Company explicitly forbids the Recipients of this Code of Ethics to any way alter the operation of the information or electronic systems used by the



Company and to illegally act on data, information and programmes included herein or relating thereto in any manner.

### **3.27 Tax offences**

#### **Tax obligations**

GRC Parfum S.r.l. undertakes to fulfil all the tax obligations established by the rules in force completely and transparently and to cooperate, where possible, with the Financial administration. Tax returns and the payment of taxes represent a behaviour that is not only compulsory from a legal point of view, but also inescapable within the scope of GRC Parfum S.r.l.'s social responsibility. Any criminal conduct that may involve GRC Parfum S.r.l. in criminal charges according to Lgs.D. 231/2001 is explicitly forbidden.

Any violation of the prohibitions specified herein is absolutely contrary to GRC Parfum S.r.l.'s interest.

#### **Prohibition to commit tax offences**

The Recipient of this Code shall in no way commit or concur to commit any criminal violation of the tax regulation (art. 25-quinquiesdecies Lgs.D. no. 231/ 2001).

## **4 Terms of implementation**

### **4.1 Supervisory Board**

GRC PARFUM S.P.A.'s Supervisory Board was set up with the approval of the Organisation, Management and Control Model according to Lgs.D. 231/2001 ("Model"), of which the Code of Ethics forms an integral part; it is a body inside the Company, whose function is to supervise the operation of the Model and to update it at regular intervals.

The Supervisory Board may rely on the cooperation of other subjects belonging to corporate managements when their specific knowledge and competence are required for special analyses and for the evaluation of specific operational and decision-making steps of GRC PARFUM S.P.A.'s business.

However, the Supervisory Board will be entitled to ask for the advice of external professionals if the a.m. operations staff don't have the necessary skills.

### **4.2 Tasks of the Supervisory Board for implementing and controlling the Code of Ethics**

The Supervisory Board, whose specific duties and tasks are listed in the Model, also has the following tasks:

- a) to supervise the effectiveness of the Model (and, therefore, the Code of Ethics) and check the consistency between actual conduct and Model set up;
- b) to analyse the suitability of the Model (and, therefore, the Code of Ethics), i.e. its actual capacity to prevent, in general, any behaviour contrary to the provisions of the Model (and therefore the Code of Ethics);

- c) to make sure that the Model (and therefore the Code of Ethics) can continue to fulfil the requirements for soundness and functionality over time;
- d) to develop any proposal to update and adjust the Model (and, therefore, the Code of Ethics) to reflect any development of the applicable regulation with reference to the performance of Business Operations;
- e) to check any situation of breach of the Model (and, therefore, the Code of Ethics) and arrange a system of sanctions to be adopted by the Company;
- f) to express opinions for the Company to revise its most important corporate policies and procedures in order to ensure their consistency with the Model (and, therefore, the Code of Ethics).

### **4.3 Communication and training**

The Supervisory Board is required to make sure that the Code of Ethics is made known to all Recipients and to External Contact Partners to the maximum possible extent.

In this respect, the Company shall arrange suitable communication activities (including, e.g., the delivery of a copy of the Code of Ethics to all Recipients, the preparation of a special section of the Internet site, and the addition of specific contractual clauses making reference to the Code of Ethics).

In order to favour a correct understanding of the Code of Ethics, the Company's personnel department shall prepare an education and information plan for the dissemination of the principles and standards of the Code of Ethics, in compliance with the provisions of the Organisation, Management and Control Model.

### **4.4 Reports to the Supervisory Board**

All Recipients are required to report to the Supervisory Board directly - without having to go through hierarchy - any situations, facts or acts in breach with the provisions of the Code of Ethics within the scope of Business Operations.

### **4.5 Violations of the Code of Ethics**

The Supervisory Board shall assess any breaches of the Code of Ethics and report - in enough detail - the findings of its assessment to the Company's competent body for the adoption of any measures and sanctions as required, in compliance with the detailed provisions of the Organisation, Management and Control Mode.