

USCO



PASSION FOR PARTS

CODE OF CONDUCT

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Review Description

- Elimination of references closely related to Italian regulations when not applicable to foreign companies within the USCO Group.
- Refinement of principles in terms of ethics and human rights.
- Updating of reporting methods for violations or suspected violations of the Code of Ethics.

1. FOREWORD

On 18 December 2020, USCO S.p.A. adopted this **Code of Ethics**, the purpose of which is to define the **values**, the **principles**, the **commitments** and the **ethical and behavioural responsibilities** that must be adopted by the Group parent company, by the companies of the Group (hereinafter, the "Group Companies") which are directly or indirectly controlled by it, by their employees and by anyone who cooperates in the performance of company business.

The objective of this Code of Ethics is, in fact, to communicate and increase the commitment of Group Companies in pursuing **ethical and responsible management** of business, as well as to align the conduct of its collaborators, in order to strengthen the relationship of trust with all stakeholders.

The Code of Ethics is intended for the **Directors**, the **Auditing Bodies** of the individual companies, the **executive management** and **employees** of the Group Companies and anyone who operates regularly or temporarily on behalf of the Group Companies. It is also applied to **collaborators** not linked through any relationship of subordinate employment to Group Companies and to the **business partners** who, for various reasons, are involved in business relationships with Group Companies (hereinafter, the "Recipients").

The Code of Ethics is valid in both Italy and abroad, although taking into due consideration the cultural, social and economic differences of the various countries in which the Group operates.

Each Group Company is required to guarantee compliance with the principles and values outlined below, including through the definition of specific **policies or procedures** that take local regulations and practices into account, with specific but not exclusive reference to topics relating to prevention of the corruption and money laundering risks, cooperation and lawfulness in relations with the Public Administration, prevention of discriminatory conduct, protection of the environment, workers' health and safety and, more generally, dignity of working conditions, propriety in relations with customers, suppliers and competitors, transparent accounting and personal data protection.

2. PROVISIONS

The Group undertakes to adopt a proactive approach to the performance of **informational and training initiatives** on the topics indicated here above, coordinating with the management of Group parent company where necessary.

The Recipients, in the already required compliance with current laws and regulations, also have the **obligation of knowing** the provisions of the Code of Ethics and of adapting their actions and conduct to the principles, objectives and rules of conduct set forth by the Code of Ethics.

In particular, all the actions, transactions and negotiations carried out must be based on the utmost **operational propriety, completeness and transparency of information, lawfulness in both form and substance, clarity and truthfulness of accounting records and compliance with the principle of legality**.

The Recipients are forbidden from behaving in a manner that is contrary to the provisions of the Code of Ethics.

The Recipients are required to consider the company interest as a priority. In conducting of any company business, situations must be **avoided** in which the people involved are, or could even only appear to be,

in a **conflict of interest**, intending as such situations in which the person pursues an interest different to the interest of the Group or the subsidiary companies or performs activities that could interfere with their capacity to take decisions in the interest of the Group, or takes personal advantage of business opportunities or acts in a manner contrary to the fiduciary duties associated with their position.

3. PRINCIPLES AND MORAL VALUES

The following principles are an essential and fundamental asset for the Group and their development is based on a reputation that is solid and faithful to those values.

- ***Honesty and legality***

The Group:

- Operates in compliance with laws, current regulations and the principles of honesty and transparency.
- complies with current regulatory provisions in all the countries in which it operates. Pursuit of the interest of each individual Company may never justify different conduct, under any circumstances.
- rejects and refuses any action with a criminal intent, howsoever it is organised.

- ***Professionalism***

The activities of each Group Company are performed with commitment and professional rigour. Relations between employees, at all levels, must be based on behavioural criteria of propriety, cooperation, loyalty and mutual respect.

- ***Impartiality, dignity and equality***

In working relationships and corporate decisions, the Group avoids any discrimination based on age, language, gender, sexuality, state of health, ethnicity, nationality, political opinions and religious beliefs of its interlocutors.

The Group respects the personal dignity, privacy and rights of personality of every individual.

- ***Confidentiality and protection of information***

In compliance with current laws, the Group ensures confidentiality of the information in its possession, undertaking to protect the confidential, sensitive or personal data of its collaborators or third parties. Company information assets are considered to be an essential element in achieving the objectives. Each Recipient is therefore required to preserve those assets by avoiding any improper use of company data and information.

- ***Loyalty, propriety and good faith***

The Group acts according to propriety and good faith.

In company business, situations must be avoided in which the parties involved are, or even only appear to be, in a conflict of interest.

- ***Respect for Individuals***

The USCO Group operates with respect for the dignity of the human person and human rights. The Group ensures a work environment that is capable of giving value to the uniqueness of the person. The Group safeguards and promotes the value of human resources, in order to improve and increase the value of the skills possessed by each collaborator.

- ***Protection of the environment, health and safety***

The environment is a primary asset and the Group undertakes to protect it.

The Group manages its business and organises the processes and the production sites with the aim of preserving the environment in which it operates and complying with current regulations on protection of the environment.

All Group Companies undertake to achieve and maintain the highest standards of health and safety and guarantee adoption of the necessary measures of prevention of occupational injuries and illnesses.

The Group also guarantees the physical and mental well-being of its collaborators, workplace dignity and a safe and healthy workplace.

- ***Protection of copyright and intellectual and industrial property***

The Group guarantees respect for the intellectual and industrial property rights of third parties and prohibits the improper use of trademarks and distinctive marks.

The Group also undertakes to comply with all requirements on confidentiality, disclosure of data and information, particularly when relating to industrial and intellectual property rights, and avoids conduct that could damage, even only potentially, the industrial and intellectual property rights of others.

- ***Propriety and fair competition***

The Group safeguards the value of fair competition on the market.

The Group directs its activities towards satisfying the requirements of its customers and therefore seeks to achieve high standards in the quality of its products.

Group Companies abstain from collusive, predatory or violent conduct and abuse of positions of power, placing an absolute veto on the use of deception, intimidation or stratagems of any kind in order to prevent the free performance of business and industry of third parties.

- ***Honesty, legality and transparency in relations with the Public Administration and institutions***

The Group manages its relations with the Public Administration and institutions with respect for the principles of legality, honesty, transparency and clarity, complying with current legislation in all countries in which it operates and abstaining from conduct that could be interpreted, even only abstractly, as corruptive or intimidating.

- ***Transparency and truthfulness of information, financial reporting and company communications***

In management of the various business activities, the Group provides complete, transparent and accurate information.

The Group ensures, in accordance with current regulations, compliance with the principles of transparency, truthfulness and completeness in the preparation and transmission of any document in which elements relating to its economic and financial situation and equity are indicated.

▪ *Transparent accounting*

Transparent accounting is based on the truthfulness, accuracy and completeness of the basic information for the relative accounting records. Each employee is required to collaborate to ensure that operations are correctly and promptly depicted in the accounts.

For each operation or transaction, it is mandatory to keep appropriate supporting documentation, such as to allow:

- easy recording in accounts;
- identification of the people who have performed and, where applicable, authorised the operation or transaction;
- precise reconstruction of the operation or transaction, also in order to reduce the likelihood of errors in interpretation.

The operations and transactions must be correctly recorded in the company accounting system, in compliance with the criteria indicated by the law and by the applicable accounting standards.

The operations entered into accounts must be authorised, verifiable, lawful, consistent and congruous.

Each record must precisely reflect what is indicated in the supporting documentation.

Each employee is responsible for ensuring that the documentation is easily traceable and arranged in an order based on logical criteria.

In order to guarantee correctness and transparency of the accounting data, the Group voluntarily submits its financial statements and administrative and accounting processes to auditing by professional auditors of proven experience and professionalism.

The Recipients undertake to comply with the principles of transparency, professionalism and utmost cooperation in relations with the professional auditors, the company auditors and with anyone appointed to audit the company administrative and financial data.

4. RULES OF CONDUCT

4.1. GENERAL RULES OF CONDUCT

4.1.1. Management of company information

The data, information and know-how acquired, processed and managed by the Recipients in performance of their work activities must remain strictly confidential and duly protected and cannot be used, communicated or disclosed, either inside or outside the Group, other than for compliance with current regulations and company procedures.

Confidential information includes, but is not limited to:

- company plans, strategies, economic/financial plans, business, management and operating plans;
- projects and investments;
- data on human resources;
- corporate or business agreements;
- corporate, performance and production indicators;
- information protected by intellectual or industrial property rights, know-how relating to the production, development and marketing of products or services;
- company databases.

In processing such data and information, the Recipients must ensure the utmost care and confidentiality, avoid revealing the confidential information of each Group company and using it for purposes other than those connected with performance of their own activity. The Recipients must also:

- acquire and process the data and information in compliance with the specific company procedures;
- store the data and information in a manner to prevent unauthorised parties from learning it;
- only disclose the data and information to third parties with the explicit authorisation of the managers responsible for this, and ensure, in any case, that it can actually be disclosed;
- in the case of acquisition of data and information of third parties, ensure that there are no constraints on its disclosure, obtaining beforehand the consent of those parties if it is necessary to transfer such data and information.

All the information available to the Group is processed in compliance with the principle of confidentiality and privacy of the data subjects.

4.1.2. Presents, free gifts, benefits

It is expressly forbidden to distribute free gifts and presents other than those envisaged by company practices (meaning any form of gift offered that exceeds normal business or courtesy practices).

Permitted free gifts are always characterised by the fact of being modest in value.

It is forbidden, in particular, to give to Italian and foreign public officials (even in countries where giving gifts is a common practice), or to their family members, any kind of gift that could influence their independence of judgement or induce them to guarantee any advantage for the company.

Directors, executives and employees are permitted to accept presents or other forms of gifts from third parties who have or could potentially have relations with Group Companies, within the limits of normal courtesy practices and only if modest in value.

It is forbidden to accept gifts in any form of cash or goods that are easily convertible into cash.

4.1.3. Communication and relations with the press and mass media

Each communication to the outside world of documents and information concerning Group Companies, whatever its nature and form, must take place in compliance with current laws and rules of professional conduct, be transparent and clear and be expressly authorised by the company managers responsible for this.

It is forbidden to disclose false information or confidential information on the Group, its employees or its collaborators.

The Recipients are required to comply with the rules of conduct and to avoid behaviours aimed at obtaining favourable attitudes from the media and press.

4.2. RULES OF CONDUCT IN RELATIONS WITH COLLABORATORS

4.2.1. Personnel recruitment

Assessment of personnel is performed with respect for equal opportunities and is based on verification that the knowledge and skills are effectively possessed.

The Office responsible for management of human resources adopts, within the limits of the information available, appropriate measures to avoid favouritism, nepotism or forms of clientelism in the selection and recruitment phases.

4.2.2. Creation of the employment relationship

Human resources are hired on a regular employment contract and no form of labour that does not comply with current laws and applicable collective national employment contracts is tolerated.

At the start of the employment relationship, each collaborator receives information on the characteristics of their position and duties, on salary and on the procedures with which they must comply.

The Group guarantees that it does not engage in the use of child labour, forced labour or slavery, in accordance with the ILO Conventions.

The Group complies with the working hours envisaged by current laws and industry standards.

The Group guarantees that overtime work (exceeding 48 hours per week) is only requested in exceptional company circumstances and for brief periods. Overtime work is paid at a higher than normal hourly rate, in line with the ILO Conventions.

The Group ensures that no illegal labour agreements are entered into, nor fake apprenticeship programs aimed at avoiding fulfilment of company obligations with the workforce, based on current labour and social security legislation, in line with the ILO Conventions.

The Group does not use or support the use of forced labour. It is not permitted to ask employees to provide cash deposits when the employment relationship with the company starts, in line with the ILO Conventions.

4.2.3. Management of human resources

The Group believes that the dedication and professionalism of its employees are valuable and decisive factors for achievement of the company objectives.

All Group Companies undertake to develop the capabilities, skills and potential of each employee, with the objective of providing the entire workforce with fair labour conditions and opportunities.

The company managers responsible for this must:

- for any decision concerning an employee, adopt criteria based on merit, skill and, in any case, strictly professional aspects;
- ensure employees are managed without discrimination of any kind and create a work environment in which personal characteristics do not give rise to favouritism.

Group Companies require their employees at every level to cooperate in creating a climate favourable to the achievement of company objectives, based on mutual respect.

Group Companies refuse interpersonal attitudes that are insulting or defamatory and intervene to prevent them. The Recipients are required to comply with these rules of conduct.

Group Companies recognise the freedom of assembly and association of every individual. The Group respects the right of the entire workforce to form and to join the trade union associations of their choice and the right to collective bargaining. Setting up, joining or belonging to a trade union cannot be used as a reason for unjustified discrimination or retaliation.

The companies of the USCO Group establish conditions of equal pay for male and female workers for work of equal value.

4.2.4. Well-being and protection of people

The Group invests sufficient resources to guarantee the protection of work conditions and protection of the physical and mental well-being of workers.

All Group Companies undertake to protect the moral well-being of employees and collaborators, guaranteeing the right to working conditions that are respectful of personal dignity.

Sexual discrimination, harassment and insults, personal or of any other kind, are not permitted. The Group does not allow behaviours, including gestures, language or physical contact, that are sexually coercive, threatening, offensive or aimed at exploitation.

The Recipients are required to comply with these rules of conduct.

4.2.5. Health and safety

The Group guarantees full compliance with regulations on health and safety in the workplace in force in countries in which the Group operates, through analysis, monitoring, prevention and management of risks connected with performance of professional activity.

The Recipients are required to comply with all procedures, and also the envisaged prevention and safety measures.

4.2.6. Protection of personal data

The Group guarantees full compliance with regulations on confidentiality of personal data and protection of privacy, adopting the standards laid down by law for data processing.

With reference to processing of workers' personal data, Group Companies put in place specific precautions serving to inform them on the nature of the data, on the processing methods and on the areas of communication.

The Recipients are required to implement all the measures and precautions envisaged by current regulations and by company procedures, and not to use the data for purposes other than those connected with performance of the duties assigned to them.

4.2.7. Protection and use of company assets

Company assets comprise tangible assets (such as cars, computers, printers, equipment, buildings, infrastructures, etc.) and intangible assets (such as know-how, information covered by industrial secret, names of strategic suppliers, etc.).

Safekeeping of assets is a fundamental value for safeguarding company interests.

In performance of their company activities, the Recipients must protect company assets and prevent their fraudulent or improper use.

Use of company assets by the Recipients must be exclusively functional to performance of work or to the purposes established by the Office managers.

4.2.8. Use of information systems

The Group adopts information system management policies that guarantee the security of the applications, data and equipment.

The Recipients are required to:

- comply with and apply these policies, with particular but not exclusive reference to the management and protection of access passwords to the systems;
- not unlawfully duplicate the software and applications installed on the systems;
- not install software or applications on the systems without the prior authorisation of the offices responsible for this;
- not behave in a manner that could endanger the security, integrity and usability of the data.

4.3. RULES OF CONDUCT IN RELATIONS WITH THIRD PARTIES

4.3.1. Relations with customers

Business relations and communications with customers are based on willingness and observance of the principles of propriety, professionalism and transparency.

The conduct of all employees and collaborators of Group Companies with customers must satisfy these principles and be directed towards the supply of high-quality products and services that satisfy the reasonable expectations and needs of customers.

Communications and contracts customers must be clear, simple, complete and compliant with current regulations.

The Group prohibits publication of misleading and untruthful advertising messages.

In management of relations with customers, it is forbidden to promise or distribute free gifts that exceed the normal courtesy practices or to acknowledge undue benefits (cash, undue promises of hiring or benefits of any other nature) with the objective of obtaining undue benefits or advantages.

The Recipients are required to comply with these principles in relations with customers.

4.3.2. Quality and Safety of products

The Group has adopted and constantly implements a system of procedures that allow monitoring and control of the products supplied, in order to guarantee quality and safety, in accordance with current regulations and the highest standards of reference.

To this end, Group Companies constantly implement controls on products, during both the acquisition phase and the production process, guaranteeing that the quality levels agreed with customers are maintained.

4.3.3. Relations with suppliers

Purchases are based on granting of equal opportunities for each supplier, on loyalty and on impartiality.

Supplier assessment, qualification and selection processes are based on a search for the greatest balance between financial advantage and quality of the products, materials, processes and services.

In relationships of supply of goods and/or services, it is mandatory for the Recipients to:

- comply with internal procedures for selection and management of relations with suppliers;
- not preclude any interested company that demonstrates its possession of the necessary requirements and its ability to compete for awarding of a supply, adopting objective and documentable assessment criteria in the selection process;
- comply with the envisaged contractual terms and conditions, maintaining a frank and open dialogue with suppliers, in line with good business practices;
- check that suppliers have the means, including financial ones, facilities and capabilities appropriate to the needs of the Group Companies.

Compliance with laws on labour and workers' health and safety by the supplier is considered to be an essential and unavoidable element in the supply relationship. The supplier must pay the welfare and social security contributions required by law and the benefits to which employees are entitled according to current national laws in force.

The USCO Group abstains from starting contractual relationships with suppliers who use child labour.

The Group considers it important for its suppliers to reduce, as far as reasonably possible, pollution of the water, the soil, the atmosphere and noise pollution. Protection of the environment and the climate and promotion of biodiversity represent a continual challenge that can only be faced by constantly improving the level of protection, achieving a permanent reduction in the consumption of resources and, above all, in the production of waste. The supplier must undertake to strive towards this in its business activities.

The USCO Group requires its suppliers to respect and to safeguard human rights and, in general, to comply with the principles and values described in this document, which direct the Group in its own choices.

4.4. RULES OF CONDUCT IN RELATIONS WITH THE COMMUNITY AND WITH THE PUBLIC ADMINISTRATION

4.4.1. Environment

The activities performed by the Group must be managed in full compliance with current regulations on protection of the environment.

Operational activities must be based on advanced criteria on protection of the environment and company strategies must take into consideration the development of processes characterised by an ever-increasing focus on environmental safety.

To this end, the Group Companies adopt appropriate measures to prevent damage to the environment and to the various ecosystems, whether they are reservoirs, ground water tables or rivers, or ground, particularly when safeguarded as protected areas, or layers of the atmosphere.

As part of their duties, the Recipients participate in the environmental risk prevention and protection process.

This process certifies the existence of an efficient system for management and improvement of all environmental aspects associated with company business. In addition to demonstrating the company's awareness of environmental issues, this certification also highlights its tangible commitment to sustainable development.

4.4.2. Political and trade union organisations

The Group does not provide contributions, directly or indirectly and in any form, to political and trade union parties, movements, committees and organisations, to their representatives and candidates, with whom there could potentially be a conflict of interest.

The Group also abstains from exerting direct or indirect pressure on politicians and on trade union representatives.

4.4.3. Donations and sponsorships

The Group may accept requests for donations or sponsorship solely for proposals from entities and associations, provided that they offer a high cultural, charitable or social value.

Sponsorship activities potentially relating to sporting, environmental, cultural or artistic topics may only be directed towards initiatives and proposals from parties with sufficient credibility, which offer concrete opportunities for an improvement of reputation and strengthening of the company image.

In assessment of the proposals to accept, the Group Companies focus attention, in all cases, on any potential conflict of interest.

Requests for donations or sponsorship must be authorised by the company executive management, in compliance with the system of company mandates and the criteria on separation of duties.

The Recipients are required to comply with these rules of conduct.

4.4.4. Relations with the Public Administration

Relations with the Public Administration that are necessary to management of business are reserved exclusively to the people appointed to this by the Group Companies.

These appointments must be made in a manner to avoid creating conflicts of interest.

The relationships must be based on the utmost transparency, clarity and propriety and must be such as not to induce partial, groundless, ambiguous or misleading interpretations by the public officials with whom the relationships are maintained for various reasons.

The Group Companies undertake to guarantee compliance with current regulations in every relationship with the Public Administration and not to offer, directly or through intermediaries, sums of money or other undue benefits to public officials or to public service officers, in order to influence their activity in performance of their duties.

The Group Companies undertake to comply strictly with the rules laid down by the authorities for compliance with current regulations on management of relations with the private sector.

The Recipients must comply with these rules of conduct and satisfy, insofar as responsible, the requests of regulatory or supervisory bodies and provide their support during audit activities.

5 BREACHES OF THE CODE

5.1 BREACHES

In the case of breaches of this Code of Ethics, the Group adopts disciplinary measures against those held responsible, in compliance with the current regulatory framework and where deemed necessary to protect company interests.

Breaches of the Code of Ethics are therefore a contractual non-fulfilment and/or disciplinary offence, with all the consequences according to current regulations or to the national collective employment contract applied.

In the case of a breach by executive managers, the most appropriate measures will be applied, in accordance with the current contractual regulations.

In the case of breaches by the Board of Directors or by individual directors, the auditing body must take the appropriate initiatives according to law, involving the shareholders' meeting where necessary.

In the case of a breach by one or more members of the auditing body, the auditing body itself (if it is a Board of Auditors) and the Board of Directors must take the appropriate measures, including, but not limited to, convening of the shareholders, in order to adopt the most appropriate measures envisaged by the law.

Conduct contrary to the Code of Ethics by collaborators, suppliers or business partners could result in the application of penalties or, in the case of a serious breach, termination of the contractual relationship, without prejudice to a possible claim for compensation of damages, if said breaches cause damage to the USCO Group, even independently of termination of the contractual relationship.

5.2 REPORTING CHANNEL

Each and every breach or suspected breach of the Code of Ethics must be reported using the whistleblowing channel indicated below:

USCO SpA: <https://digitalroom.bdo.it/usco/home.aspx>¹

Disciplinary actions must comply with national laws and with the international recognised human rights.

6. ENTRY INTO FORCE AND AMENDMENT METHODS

This Code of Ethics comes into force on the date of its adoption, through a Board of Directors' resolution. Any change or addition to the Code must be approved by the Board of Directors.

¹ All Recipients are asked to use the reporting channel provided by the company to which the unlawful act being reported relates. The channel is published on the official website of the individual company.

It is also possible to use the reporting channel provided by USCO SpA to report breaches relating to Group Companies who, since they do not have the obligation of creating an internal whistleblowing channel, have not provided this reporting channel.

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