

# CODE OF ETHICS



**ELECTRODE TECHNOLOGIES & WATER TECHNOLOGIES**



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## 1. Purpose

This Code describes the ethical principles for De Nora (i.e. Industrie De Nora Spa and all its direct and indirect subsidiaries in Italy and abroad, referred to as “DN” or “the company”) and intends to guide DN representatives, managers, employees, interim workers, agents and whoever acts internally and outside in the name of the company, by specifying:

- expected behaviors when performing professional assignments;
- DN’s commitment towards its employees, customers, suppliers, local authorities and any other stakeholder and counterpart.

To guide our behavior, the Code of Ethics establishes the ethical and behavioral standards for our business conduct. It must be not only a daily reference; we also refer to it for guidance when we face issues in our job that are new, unclear or complex. DN strives to uphold a consistent global standard of ethical conduct, while respecting the cultures and business practices of the countries and communities in which we interact.

Compliance with the Code by DN’s directors, managers, employees as well as by all those who operate on behalf of DN, each within their own responsibilities, is of paramount importance for DN’s efficiency, reliability and reputation, which are all crucial factors for its success.

Principles and guidelines set forth in this Code are further detailed in DN policies and procedures.

## 2. Applicability

This Code of Ethics is addressed to all DN stakeholders, regardless of status, role and responsibilities, including but not limited to managers, employees, customers, suppliers, contractors, external auditors and all those who, directly or indirectly, permanently or temporarily, establish relationships with DN.

Directors and managers must be the first to give concrete application, by assuming responsibility for the Code both inside and outside the company and providing a behavioral model for their team in order to have them comply with the Code and make questions and suggestions on specific provisions.

## 3. Company values

DN is an international company operating in a variety of contexts, led by the same family for more than 90 years, with a strong identity based on “style” of correct behaviors and strong commitment to people respect.

People are the paramount resource for the DN’s growth and success. We aim to attract able persons and to develop their technical and managerial skills along with their potential.

Our company boosts intellectual curiosity, spirit of initiative, dynamism and energy put to the service of the team.

The fundamental values identifying DN’s style are:

- *Balance between a global mindset and respect for our history*

- *Innovation and proactive attitude*
- *Passion and result orientation*
- *Integrity and fairness*
- *Focus on people and respect of diversity.*

These values represent DN's business card, and must be followed by each stakeholder while carrying out tasks and duties.

## 4. Honest and ethical conduct

### 4.1 Professionalism

All DN personnel shall use due care to be loyal to and to act in good faith and in the best interest of the company while performing their duties.

DN personnel must avoid taking advantage of corporate business opportunities for their own personal benefit using company property, information or role in the company for personal gain.

### 4.2 Integrity dealing with colleagues

We shall always:

- lead by example and demonstrate with facts, through both words and actions, our commitment to this Code and to the company policies and procedures;
- communicate with clarity, candor and respect, avoiding any distortion for instrumental purposes. Be sure the content is addressed just to the appropriate recipients;
- ask for support when unable to achieve the assigned tasks, to gain the necessary knowledge;
- report mistakes to the line manager, keeping transparency and learning by them;
- be eager to share ideas with others, listen and encourage their opinions without criticizing;
- use "we" instead of "I" to feel part of the team: the team wins, not the single person;
- motivate and encourage those who work with us; support colleagues in performing their tasks and patiently guide those seeking help;
- walk the talk;
- respect deadlines, be punctual;
- make a fair use of smartphones during meetings, setting silent mode and moving out of the room when receiving urgent calls;
- be suitably attired and groomed during working hours and when representing the company, respecting local dress codes;
- refrain from assuming alcohol during work hours, or illegal drugs at any time: besides being a crime, they may compromise performance, severely harm our life and expose others to risks.

### 4.3 Integrity dealing with external stakeholders and conflict of interest

Acting for the benefit of the company cannot justify conducts contrary to our values. When dealing with external stakeholders we shall:

- not adopt offensive conduct, whether verbal, physical or gestural;
- never mislead or cause harm to anyone, e.g. by spreading rumors and gossip;
- promote kindness in relationships, trying to settle disputes or misunderstandings with care and gentleness;
- listen and respect all opinions even though we may disagree;
- pursue customer satisfaction and strive to respect deadlines;
- respect the privacy of customers and suppliers by maintaining confidentiality of their data, information, operations, contracted services, etc.;
- obtain approval from the authorized manager for any business transaction;
- ensure clearness and truthfulness of any declaration and communication about DN's;
- not disclose confidential information or discuss work situations outside the company;
- not speak on behalf of DN without prior authorization of the Managing Director: all contact with media (internet, newspapers, radio, television, social networks, etc.) must be approved by the Managing Director or the Chief MBD Officer;
- not associate with members, associations or companies part of, or linked to, organized crime ("anti-social forces")
- not tolerate unfair, illegal or criminal actions, nor use DN's position to obtain personal benefits for ourselves or other third parties (bribery, fraud, money laundering, etc. see par. 4.3.4);
- not perform works for other companies or organizations in conflict with DN, whether as employee, service provider, consultant or advisor; not participate as partner or investor in other organizations in conflict with current or potential DN's business. Report to the line manager, who possibly escalates to the Managing Director and/or the identified functions (HR or Legal):
  - before assuming responsibilities with other companies or organizations,
  - all business situations even potential in which your conduct may not be in the best interest of the company.

The following paragraphs provide further details relevant to specific situations.

#### 4.3.1 Dealing with customers

- Supply with efficiency, within the contractual terms, high-quality products meeting the reasonable expectations and needs of customers.
- Respect customers, providing them with the information on products and services and being truthful in all kind of communication, so that customers can make informed decisions.
- Support customers with a gentle and professional service, increasing their interest in our products and making them feel important.

#### 4.3.2 *Dealing with suppliers, agents, consultants and business partners*

DN undertakes to look for professional suppliers and business partners committed to share the principles and contents of the Code, and promotes the establishment of long-lasting relations for the progressive improvement of performances while protecting and promoting these principles. In relationships regarding procurement, supply of goods/services and generally in dealing with business partners (including consultants, agents, etc.), we shall:

- use business integrity as key standard for the selection of suppliers and business partners;
- demand agents, consultants and other business partners to refrain from getting involved in illegal activities, e.g. offering or receiving kickbacks: DN does not permit business transactions by agents/consultants that are prohibited to DN's employees;
- document in writing, in accordance with our ethical standards and legal and accounting requirements, all arrangements with agents, distributors, suppliers and business partners;
- adopt fair and transparent selection and contracting criteria, ensuring contracts are awarded only in accordance with valid business justifications, respecting our procedures;
- adopt practices intended to develop suppliers and business partners and enhance our products and services, including the respect of payment terms;
- state in contracts the Code acknowledgment and the obligation to comply with the principles contained therein;
- advise and require our suppliers to adhere to DN's Supplier Code of Ethics which prohibits the use of forced labor and any kind or violation of human rights. Promptly and thoroughly investigate any claim or indication that a supplier is engaging in human trafficking or slave labor, or is otherwise not complying with DN's Code of Ethics or Supplier Code. Any such claim shall be reported to DN Chief Procurement Officer and/or the Managing Director, together with the findings of the investigation. DN will not continue to purchase goods or services from any supplier found to be engaging in violation of human rights;
- Provide periodic training to DN's suppliers and business partners on DN's Code of Ethics and Supplier Code (as the case may be).

#### 4.3.3 *Dealing with competitors*

- DN conducts business in an ethical and legitimate manner, complying with competition laws which protect free enterprise and encourage fair competition. DN will not engage in anti-competition practices that are contrary to laws regulating:
  - price fixing, production restrictions, collusion to allocate customers or markets, boycotts of suppliers or customers,
  - fixing of resale pricing of distributors and dealers,
  - misrepresentation of products and services.
- DN makes fair and fact-based comparisons of product performance. We do not disparage competitors or their products or pricing and the like.

#### *4.3.4 Gifts and entertainment with third parties: anti-bribery*

The purpose of giving business gifts is to create goodwill for DN and nothing more. Gifts are permitted if they are promotional in nature, proportionate to the occasion and responsive to local custom.

Attempting to influence others with personal gifts is unacceptable and, in some instances, unlawful. DN strictly prohibits to offer, solicit or accept any bribe, whether cash or other inducement (including so-called facilitation payments):

- to or from any person or company, wherever they are located, and whether they are a private individual, a company, a public official or body;
- by any individual employee, agent or other person or body acting on DN's behalf;
- to gain any commercial, contractual or regulatory advantage for DN in an unethical way, or any personal advantage for the individual or anyone connected with the individual.

DN prohibits any inducement which results in a personal advantage to the recipient or any person or body associated with them, which could reasonably be interpreted as an attempt to improperly influence them not solely in the interests of the company or of the person or body employing them or whom they represent.

Practice varies and what is acceptable in one place may not be in another. Decisions whether or not to offer or accept gifts in any form must be governed by good judgment and moderation. The following practices are not prohibited, providing they are customary in a particular market, proportionate and properly recorded:

- normal and appropriate hospitality, including meals, entertainment or travel if:
  - the occasion serves a business purpose,
  - the DN employee or representative accompanies the customer or supplier, and
  - the meals, entertainment or travel are reasonable and proportionate to the occasion.
- giving a ceremonial gift on a festival or at another special time;
- offer resources to assist the person or body to make the decision more efficiently, provided that they are supplied for that purpose only.

DN does not make direct or indirect donations to political parties. Donations to charity must be made following our internal processes and with the consent of DN CEO and President.

If anyone is in doubt as to whether a potential act constitutes bribery, the matter must be referred to the line manager, who possibly escalates to the Managing Director and/or the identified functions (HR or Legal) before proceeding.

### *4.4 Compliance and safeguard*

#### *4.4.1 Compliance*

In carrying out duties and responsibilities, DN abides by all laws, rules and regulations applicable in the countries in which it operates.

Moreover, DN personnel shall be aware, respect and comply with all company rules established in organizational documents such as policies, procedures, manuals etc., as well as all instructions provided by the line managers unless contradicting such formal documents.

#### 4.4.2 *People safeguard and equal opportunities*

DN is committed to safeguarding its people and promoting a positive work environment based on mutual respect and does not tolerate any form of discrimination or harassment. Particularly we:

- respect all human, political and labor rights;
- forbid the use of anything which is a violation of human rights such as child labor, human trafficking etc. in connection with DN business. We define child labor as services by anyone under the age of 16; In the event that local law is more restrictive, we will comply with that;
- reject any discrimination, e.g. based on age, sex, sexual orientation, state of health, race, nationality, political opinion, religious beliefs, cultural preferences etc.;
- provide protection against sexual harassment at workplace;
- do not tolerate violence in the workplace, i.e. acts or threats of violence or other abusive conduct committed against employees, property of another person or company property, nor any behavior that causes others to feel unsafe in our workplace;
- do not tolerate bullying, disrespect and any form of imposition or embarrassment;
- pursue fairness and transparency in all employee management processes (hiring, mobility, promotions, performance assessment, salary and career progression, etc.);
- respect and protect privacy: the collection and use of personal information is done in compliance with local Laws and regulations; access to such information is allowed only to those authorized by specific letters of appointment; personal information shall not be disclosed outside DN without prior individual authorization, unless serving to fulfill legal requirements. Any possible violation shall be reported to the Chief HR Officer.

#### 4.4.3 *Care of health, safety and environment*

DN is committed to constantly ensure a safe and healthy workplace for all staff. We:

- continuously protect employees' health and safety, improve working conditions and reduce the possibility of injuries by eliminating hazards;
- inform the line manager and, where applicable, the company medical doctor, in case we have to swallow medicines which may adversely affect our performance;
- avoid jeopardizing our safety and those of others;
- provide the necessary training and equipment.

DN aims to be a “green” company, sensitive to minimizing the impact on the environment. We:

- are committed to comply with all environmental protection laws and expect your individual cooperation in this regard;
- adopt conscious consumerism precepts without wasting energy, plastic, paper etc.;
- strive to recycle all materials that can be used again.

## 4.5 Corporate governance and accounting transparency

### 4.5.1 Corporate governance

- DN adopts a corporate governance based upon high standards of transparency and fairness in business management.
- People in charge of decision-making, authorization and execution of company operations are identified carefully, in order to establish the necessary segregations of duties and controls.
- The decision process shall be broken down into various stages involving different parties, to distribute decision making powers in a balanced manner.
- People responsible for signing documents are accountable for ascertaining their correctness. The traceability of each decision shall also be ensured, to provide transparency with regard to the decision-making process, persons in charge and access to relevant data.

### 4.5.2 Accounting accuracy and transparency

- DN is committed to full accounting transparency based on correctness, accuracy and completeness of records of all commercial transactions at all times, whether for purely internal use or for submission to other organizations/authorities.
- Every entry must be promptly and accurately recorded in company books in accordance with the applicable laws and generally accepted accounting practices, such as IFRS. Entries shall reflect the supporting documents, which must be complete and auditable.
- It is forbidden to misrepresent facts or falsify records, including time, attendance or business expenses. Anyone who notices possible misrepresentations, inaccuracy of records or supportive documents must promptly report to the line manager who possibly escalates to the Managing Director, and/or the DN Chief Financial Officer or the Corporate Surveillance Body.

### 4.5.3 Anti-fraud

For practical purposes, fraud may be described as the act of making false representation, or failure to disclose information, or abusing a position of trust, with the intent to make a gain or cause a loss or to expose another to the risk of loss. Examples of frauds against DN are:

- theft, misuse and misappropriation of DN property, equipment, funds, materials, records or any other assets;
- false accounting or fraudulent statements with a view to personal gain or gain of another (e.g. timesheets, expense claims, purchase orders, budgets, regulatory returns);
- alteration, destruction, copying or manipulation of data for inappropriate purposes.

Fraud may involve one individual or several people in collusion with each other who could be either from within or external to DN.

Any employee who discovers or suspects any instance of fraudulent activity shall at the earliest possible stage raise concerns through the line manager who possibly escalates to the Managing Director, or – in case the individual may feel inhibited – through a whistle blowing (see Chap.5).

## 4.6 *Protection of company property and information*

DN's success depends upon employee discretion and on the safeguarding of the company's physical and intellectual property.

### 4.6.1 *Protection and use of company property*

- We feel responsible for safeguarding the company assets and ensure their proper use. We take care of company facilities, resources, equipment and any other tool or property belonging to DN, which is used only for professional reasons unless otherwise specified. Personal use of phones, computers, copiers, etc. is tolerated only in a marginal way (refer to the instructions provided).
- Downloading, storing or watching obscene, pornographic, violent, discriminatory, racist, or defamatory contents at work is prohibited, as is gambling and gaming.
- Passwords protecting IT devices cannot be shared with any colleague or third party.
- No software or program can be installed on company computers without prior authorization.
- The company, where permitted to do so at law, may control the information and data exchanged by and stored within their computers, phones etc.

### 4.6.2 *Protection of company information and know-how*

Information is one of DN's most valuable assets: our success depends largely on the integrity, availability and use of company information, systems and resources, both physical and intangible, including proprietary information and data:

- we protect all non-public (i.e. restricted, confidential or internal) information to avoid leakages which may harm the company;
- the external use of DN's information and know-how in activities such as congresses, lectures, academic publications, books, magazines etc., must be strictly checked and authorized in advance by the line manager who possibly escalates to the Managing Director and/or the identified functions (HR or Legal or IP);
- photographs or video recordings inside plants, labs and other workplaces where there may be confidential information is not allowed without prior authorization;
- results of research are safeguarded by filing, patents, trademarks or copyrights;
- all files and information regarding operations created, received or stored within the company and its electronic systems are DN's property and assets which cannot be removed from the company's premises. In the case of termination of employment for any reason all company property must be transferred to the line manager;
- everyone is responsible for the security of DN information during visits to the company's premises of customers, suppliers, consultants, business partners etc.

## 5. Distribution, implementation, reporting and sanctions

- This Code of Ethics is effective as of October 2015, after integrations to comply with local applicable laws, communication and training. It is distributed and formally adopted in all DN Legal Entities.
- Respect of the Code is an essential part of the contractual obligations of all DN personnel, who must accept the Code of Ethics in explicit form. Any employee violating the Code will be subject to disciplinary sanctions which, for serious cases, may include termination of employment.
- DN also promotes the knowledge and obedience of the Code throughout all its supply chain. DN shall state in contracts the Code acknowledgment and the obligation by all its suppliers and business partners to comply with the principles contained therein. In case of non-compliance, adequate contractual sanctions shall be imposed as applicable.
- All recipients shall be familiar with the Code. In case any clarification is required, they should refer to the line manager, or the Managing Director or the HR function.
- Everybody who becomes aware of attempted breaches of the Code, must make a formal report – depending of the gravity, the matter and the involved persons – to the line manager, or the Managing Director and/or the identified functions (CPO, HR, CFO, Legal, IP, etc.). Whistle blowing, i.e. the possibility of notifying anonymously a potential breach, is possible and protected through a dedicated message service in the DN Portal. Messages will be received by the De Nora Ethical Committee composed by Corporate HR, Corporate Legal and the Chairman.
- No one who have reported instances of breach or raised concerns through this means will suffer adversely or be discriminated for having reported that.
- All reported violations will be dealt with by the Ethical Committee which, taking advice from any appropriate functions and authorities, will be responsible for deciding the actions to be taken before, during and after any investigation.
- The company will monitor compliance with the Code, providing appropriate information, tools, prevention and control.

## 6. Change Log

Issue	Change description / Reason for Change	Interested Chapters
1 (10.2015)	First Issue	All
2. (11.2017)	Template updating, slight wording amendments	All