



CODE OF CONDUCT

ACS DOBFAR SPA GROUP

Acs Dobfar S.p.A

Facta Farmaceutici S.p.A.

Dphar S.p.A.



Foreword

The success of the ACS DOBFAR S.p.A. Group (hereinafter ACSD) is based on values of transparency, credibility and loyalty, ethical principles that represent the heritage of the company: its reputation.

The ACSD Group, due to the importance of its business for the chemical and pharmaceutical industry as well as for the strategic role it plays, has to build its growth on a solid reputation, in compliance with the values of honesty and fairness, in every work process.

All the Companies of the Group contribute to the civil, cultural and economic development of the local community in which they operate.

The principles that should guide ACSD operations are: a strict observance of the laws, fair competition, respect for the legitimate interests of customers, suppliers, employees, shareholders, institutions and the community.

Furthermore, due to the complexity of the situations - socio-economic interests and contexts - in which the Group operates and interacts, each corporate behaviour must be related to these principles and in observance of the regulations in force.

For this reason it is important to clearly define the set of values that the Companies of the Group recognize, accept, endorse and apply to all levels, without any distinctions or exceptions.

The Code of Conduct is combined, with the utmost harmony and unity of purpose, with the *Corporate Policies*, already in force in all plants belonging to the ACS DOBFAR S.p.A. Group, in terms of Safety and Environment, with reference to the different corporate sites.

In fact, the whole ACSD Group imposes on all employees, the Board of Directors and Board of Auditors to address their behaviour and conduct their activities in accordance with a constant and strict observance of the principles and values contained in this document

Any conduct - individual as well as being implemented by several subjects belonging to an association - contrary to the Code of Conduct



and the legislation in force is condemned, as it does not comply with the interest underlying the ACSD Group.

However, the pursuit of the corporate interest can never justify behaviours contrary to this Code of Conduct.

The Code of Conduct is approved with resolution of the Board of Directors of ACS DOBFAR S.p.A. and implemented by the other Companies fully owned by ACSD, and is an integrating part of the Organization and Management Model according to Leg. Decree 231/01, so that both the holding company and subsidiary companies are provided with internal rules of conduct as well as rules for the external relations and which therefore also any external party must observe.

Lastly, with resolution of the Board of Directors of the *holding company* ACS DOBFAR S.p.A. and subsequent transposition resolutions by the single subsidiary companies, the Code of Conduct can be modified and /or integrated, also on the basis of suggestions and recommendations from the Supervisory bodies.

The President

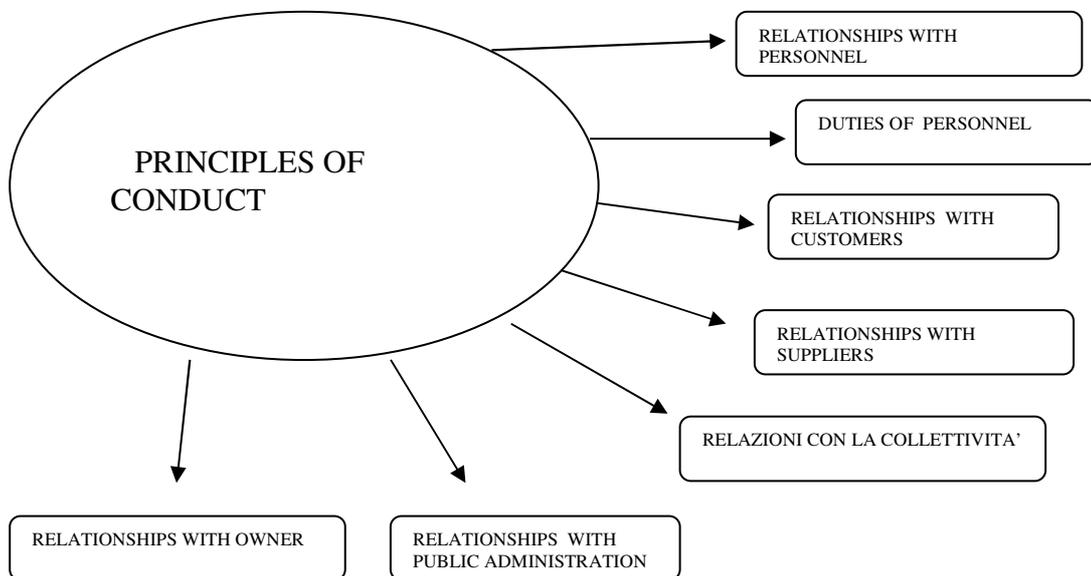


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CODE OF CONDUCT OF THE ACSD GROUP

1. DIAGRAM OF BEHAVIOURAL PRINCIPLES FOR THE ORGANIZATION AND PERSONNEL



2. INTRODUCTION

This Code of Conduct (hereinafter the *Code*) defines the set of rights, duties and responsibilities that the Company ACSD assumes towards all concerned people (managers, employees, suppliers, consultants) with which it has to interact as part of its operations.

The behaviours prescribed by the Code, integrate the conduct relevant for the purposes of the complete and proper performance of the obligations of due diligence expected by the corporate management.

The infringement of the provisions of the *Code* may constitute a breach of the primary obligations of employment, or disciplinary offence, with all legal consequences, also as far as the preservation of the employment relationship is concerned, and may lead to compensation for damage resulting from such infringement.

The *Code* shall be brought to the attention of all employees of the various Companies of the Group and therefore full internal diffusion of the Code will be given and it will be made available for any party.

This means that every employee has the obligation to apply and know the principles and policies of the ACSD Group on Health, Safety, Environment and Public Safety, with particular reference to the definition of policies and planning and control instruments, as well as the general criteria for their implementation.

Furthermore, the ACSD Group is committed to carrying out checks upon any notice of infringement of the *Code*, assessment of the facts and consequent implementation, in case any infringement is verified, to taking appropriate sanctions for employees, shareholders and other subjects, where applicable.

3. BEHAVIOURAL POLICIES IN BUSINESS

The ACSD Group develops its business, and requires its employees and other recipients to adapt their behaviour to the following values of business conduct:

- to avoid, in the relationship with concerned subjects, any discriminations based on age, sex, health status, race, nationality, public opinion and religious beliefs;
- to pursue ethical principles of fairness, transparency and loyalty;
- in fulfilling any responsibilities, all employees and collaborators must comply with the principle of fairness, including the respect of the rights of every person involved in any way in their work and professional operations. This respect is to be understood also in terms of privacy and decency. The principle of fairness also implies the rejection of any situation that creates arbitrary discrimination against staff, as well as substantial conflicts of interest among the employees;
- not to admit any gifts that can be interpreted as exceeding normal standards of courtesy or otherwise directed to purchase more favourable treatments in the conduct of any corporate operations;
- not to promise, offer or pay, both directly and indirectly, any gifts which exceed the normal standards of courtesy;
- to be committed, in the conduct of any business of the Companies of the ACSD Group, to avoiding that those involved are or may appear as being in conflict of interest. Namely, situations that may give rise to conflicts of interest are :
 1. economic and financial interests of an employee of the company and/or his/her family in the operations of supply;
 2. use of one's position within the company or the information or knowledge acquired in their work, so that a conflict between personal interests and the



interests of the ACSD Group may arise;

Any situation that represents or gives rise to a conflict must be immediately reported to the Supervisory Board. Every employee must therefore notify in writing the existence of any relationship of a financial, business, professional, family or social nature that might affect the impartiality of his conduct towards any third party.

The principles currently in force, governing the pursuit of the scope, by the Company, to ensure the safety and health of employees, contractors/subcontractors and customers, the safeguard of the environment and the protection of public safety, are as follows:

1. the industrial and commercial activities are managed in accordance with the laws in force;
2. the ACSD Group adopts the principles, standards and solutions that are the "*best practices*" for the protection of health, safety, environment and public safety;
3. training of personnel and exchange of experience and knowledge are considered an essential tool to achieve the objectives of health, safety and environmental protection.

4. EMPLOYEES, COLLABORATORS AND CONSULTANTS

The *Code* is an integral and essential part of the employment agreement of each ACSD employee; the company shall require all employees to strictly comply with the provisions of the *Code*. Any infringement of the provisions of the *Code* involves the adoption of appropriate sanctions.

Therefore, employees:

- are required to know the rules contained in the *Code* and related laws that regulate the operations as part of their function;
- have the obligation to refrain from any conduct contrary to the principles of the *Code* and its provisions;
- are required to cooperate with the departments responsible for investigating any possible infringement, giving prompt notice of it, if necessary;
- must adopt behaviours consistent with the *Code* and refrain from any conduct that might damage or compromise the company's honesty, impartiality or reputation.

Anyone who plays the role of officer, head or manager shall be an example and a guide, in accordance with the principles of business conduct contained in the *Code*, and shall demonstrate with his/her behaviour to the employees that compliance with the *Code* is a key issue.

All supervisors, managers and directors must report any case of non-compliance with the provisions of the *Code*

The attention to issues of health, safety, environment and public health is an integral part of the process of planning, implementation and monitoring of the development and management of industrial and commercial operations of the ACSD Group.

The Safety Management System, the Risk Assessment Document and Environmental Management system are the main means of controlling the quality and quantity of the framework of actions for the protection of health, safety, environment and public safety.

5. HEALTH, SAFETY AND ENVIRONMENT

The operations of each Company of the Group must be managed in accordance with the law in force on protection of the environment.

Subject to applicable laws the ACSD Group shall take all appropriate measures to reduce the environmental impact of its operations and is committed to implementing all measures to raise the attention on the respect of the environment by all recipients.

In the performance of the different production processes the Group also guarantees the physical and moral integrity of its employees and collaborators in accordance with the regulations in force on protection of health and safety in the work places.

Furthermore, the Companies shall perform their operations under technical, organization and economic conditions in order to ensure an adequate accident-prevention and a healthy and safe working environment.

The Group is committed in spreading and consolidating a culture of safety among all its collaborators, developing the awareness of the risks and promoting responsible behaviours by the workers.

In the same way, the latter undertake to comply with the measures of prevention and safety in place and must not put themselves and other workers in conditions of risks that could cause damage to their health or their physical safety.

In detail, the following areas are subject of analysis and control programs:

- a) health, environment and safety management systems for all operations;
- b) reduction of gas emissions, discharges and industrial waste, with particular attention to situations in critical areas, and the constraints defined by the authorities, including through voluntary agreements;
- c) reduction of the use of natural resources and improvement of energy efficiency standards;
- d) improvement of the environmental performance of



- products and services;
- e) systematic monitoring systems of *performance* indicators in the field of health, safety, environment and public safety and improvement programs;
 - f) acquisition of performance information, referred to the above, in order to make them available for the needs of the relevant positions of ACSD and distributing them to the other companies within the Group;
 - g) the planning of interventions in case of emergency and reduction of any consequences.



6. RELATIONSHIP WITH THE OUTSIDE WORLD

All employees, in the performance of their duties, are bound to maintain relationships with all categories of subjects, acting in good faith, loyalty, fairness and transparency.

The ACSD Group requires its employees and other recipients of the *Code* that any contact or relationship with the customers be characterized by principles of honesty, professional integrity and transparency. In addition, the business relationships with suppliers must be performed in accordance with the criteria of impartiality, cost-performance, transparency, honesty and fairness; relationships that may create conflicts of interest or personal gain must be avoided.

The company relationships with the media are exclusively for business functions, or for the recipients expressly authorized by the same functions, and must be carried out in line with the corporate business communication strategies.

The information and communications must be fair, clear and consistent, stated the requirements of confidentiality in the *business* management.

7. RELATIONSHIP WITH INSTITUTIONS / PUBLIC ADMINISTRATION

Any relationship with state or international institutions must be based exclusively on communication forms aimed at assessing the implications of legislative and administrative operations with regard to the ACSD Companies.

In particular, any relationship with public officers, in order to ensure maximum clarity, will be managed exclusively through representatives who have received an explicit power.

In any case, the conduct of the representatives, referred to in the second paragraph, shall be characterized by criteria of honesty and fairness, and always complying with the institutions.

In the relationship with the Public Administration, it is strictly forbidden to:

- consider or offer employment and/or business opportunities to any officer and/or relatives of the latter, which may give advantage to employees of the Public Service in their personal capacity;
- offer gifts, by any way whatsoever, to managers, officers, employees or other subjects;
- to induce to unduly give or promise money or any other benefit;
- solicit or obtain confidential information that could compromise the reputation of the parties.

8. INTERNAL CONTROL SYSTEM AND INFRINGEMENT OF THE CODE

The internal control system is achieved through the set of tools and procedures necessary to direct, manage and monitor the operations of the company Group, directing them to the achievement of the business objectives and risk prevention.

The control system, as a whole, helps to ensure:

- a) compliance with laws; internal procedures; strategies and corporate policies;
- b) achievement of the set objectives; protection of the Group's tangible and intangible assets, the corporate management according to criteria of efficiency and effectiveness;
- c) the reliability of the accounting and management information given both inside and outside the ACSD Group.
- d) the generation and conservation of sensitive data according to rules that ensure the accuracy, attributability, authenticity, integrity and security.

For this purpose, every duly licensed and registered transaction and operation shall be verifiable with the support of adequate documentation.

The responsibility for the proper functioning of the internal control system refers to all recipients of the Code in their respective functions. Each employee is required to promptly inform his/her manager of the onset of dynamics that may interfere with the management of his/her work.

The effectiveness and functionality of the internal control system are guaranteed by the monitoring and control activities of the competent corporate functions.

The infringement of this *Code* affects the relationship of trust and can lead to the filing of legal actions and the adoption of measures against the recipients, consistent with the provisions of the law and with the expected contractual regimes.

9. USE OF ALCOHOL OR DRUGS

Each employee must personally contribute to maintaining a work environment that respects the feelings of others.

Therefore, the employee will be deemed to be aware of the risk of prejudice to those principles, in the course of working operations and in the workplace:

- to work under the effects of alcohol, drugs or substances of similar effect;
- to consume or give drugs, by any way whatsoever.

The states of chronic addiction to such substances, in case they have an impact on the working environment, shall be equivalent to the previous cases, as regard the contents of the employment agreement

10. SMOKING

Without prejudice to the general prohibition of smoking in the workplace, where this can engender a danger, or anyway, in the workplaces marked by special signs, the ACSD Group will take into particular consideration the condition of those who feel physical discomfort in the presence of smoke and ask to be preserved from contact with "passive smoke" in their place of work.

11. ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING DISCIPLINE

Any form of corruption is prohibited. Each employee will not seek to gain any advantage through the improper use of payments, business courtesies or anything else.

In particular, no employee of the Company is authorized to donate directly or indirectly:

- any items of value to public officials in order to obtain advantages of any nature.

The term "Public Official" is used in its broadest sense, and includes employees of entities owned or controlled by the State, public international organizations, political parties and candidates for public offices. In negotiations with organizations or persons connected with public entities, the employees of the ACSD Group must comply with the principles set out in this *Code* and strictly follow the policies and procedures adopted by the Companies of the Group:

- anything of value to any person with the purpose to obtain or maintain trade agreements, confidential information, or improper business advantages.

Furthermore, the employee shall not accept anything of value for the awarding of unfair business, disclosure of confidential information or concession of any improper business advantage.

The Anti-Corruption discipline requires compliance with the corporate policies and procedures of the Group issued from time to time, with reference to:

- offer, payment or acceptance of gifts, gratuities, entertainment, or free trips to, from or on behalf of public officials or suppliers, customers or competitors;



- acceptance of engagements with consultants, agents, lobbyists, *joint venture partners* or any other third party.

Finally, in compliance with the Anti-money laundering regulations, any conduct is forbidden that constitute money laundering or self-money laundering (i.e. the use of goods or money from illegal activities).

The reason for this is that the ACSD Group has as a principle the maximum transparency of the business transactions and prepares the tools to avoid any phenomenon of money laundering and self-money laundering.

For this purpose, prior to establishing of stipulating any contract with its suppliers and other business *partners*, the Companies of the Group and their employees and /or collaborators must ensure the moral integrity, the reputation and good name of the counterparty.

The Group also undertakes the observance of the regulations in force on anti-money laundering and any subsequent modifications and/or integrations.



12. DISCIPLINARY AND SANCTION SYSTEM

The penalties provided for by National Collective Labour Agreement (C.C.N.L.) for chemical workers in the event of disciplinary offences, serious and repeated breaches of the *Code* or procedures/instructions of the Organization Model apply.

13. TRANSITIONAL PROVISION

This Code replaces the previous text which was approved with resolution on 24/09/2015.

FURTHER INTEGRATION:

The communications to Supervisory Body of **ACSDobfar S.p.A** can be addressed to:

Supervisory Body

Independent President: Dott. G. Venerucci

Independent Legal Counsel: Avv. D. Domenichelli

Company Representative: Rag. D. Pirovano

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Mail: Avvocato D. Domenichelli, Via Monte Nero 84, 20135 Milano.

Tel. 02/55011496 – Fax 02/59901255

The communications to Supervisory Body of **Facta Farmaceutici S.p.A** and **Dphar S.p.A** can be addressed to:

Monocratic Supervisory Body:

Independent Legal Counsel: Avv. Daniele Domenichelli

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EFFECTS

This Code of Conduct shall enter into force as from September 9th, 2016 (the day following the distribution to personnel and publication on the intranet).