

**CERAMICA
DEL CONCA**

**Code of
Ethics**

CERAMICA DEL CONCA S.P.A.

Code of Ethics

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LETTER FROM THE CHAIR

I am proud to present this Code of Ethics of Ceramica Del Conca SpA, which sets out - within a single, organic document - all the principles and criteria which all directors, employees, and those who work with our business must apply to their actions.

It is based on a set of common, shared values which are the cornerstones of development at Del Conca.

It is a guide to making everyday decisions. Applying and enforcing the Code of Ethics throughout business activity generates trust in all stakeholders and reinforces the company's reputation.

The reliable behaviour and good reputation of a company produce value, they are an indispensable factor for growth and development. Indeed, the market chooses Del Conca because consumers are confident they will get the results they expect, in the form of long-lasting, high-quality products and services.

All the decisions made by our stakeholders are based on trust and responsibility, which is why, more than simply a formal requirement, the Code of Ethics is an achievement that is accomplished every day.

The Code of Ethics entails great commitment by Del Conca and requires a sense of shared responsibility, above all from the directors, employees, and the independent contractors and business partners with whom we work. Indeed, it is part of the professional relationship and therefore the bond between them and the company. It will be disseminated to all stakeholders and explained to those who wish to work within or with Del Conca. It will be brought into daily practice and will be open to any improvement, in order to enhance Del Conca's spirit of innovation and desire to grow.

The chair

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1 INTRODUCTION

1.1 PURPOSE OF THE CODE OF ETHICS

This Code of Ethics (hereinafter referred to as the "Code of Ethics" or, more simply, the "Code") expresses the commitments and responsibilities relating to the conduct of business and corporate activities undertaken by the member of CERAMICA DEL CONCA SPA (hereinafter "CERAMIC DEL CONCA", "DEL CONCA "or the" Company "), whether they are directors or staff (in any sense of the word) of this company (hereinafter referred to as the "Members").

DEL CONCA has prepared this Code of Ethics, in order to establish, clearly and transparently, the set of values on which the Company is based and the principles on which actions should be based when seeking to achieve corporate objectives.

The Code of Ethics is a fundamental tool when engaging in business activities and compliance with the Code is essential to ensure the Company operates properly and to guarantee its reliability, reputation, and image. The principles of the Code lay the groundwork for success and the Company development, both now and in the future.

In order to be utilised effectively as a tool, it must be understood that the Code of Ethics is intended to inspire actions and offer guidelines, rather than placing impositions and penalties. Proper interpretation of the Code's provisions can help each party to whom the Code applies to handle the problems that arise in everyday activities, within which ethical issues, organisational problems, and management decisions are closely interlinked.

1.2 SCOPE AND PARTIES TO WHOM THE CODE OF ETHICS APPLIES

This Code applies to DEL CONCA. The principles and provisions of the Code of Ethics are binding, without exception, upon directors, auditors, senior managers, employees, and all those (inside and outside the Company) who establish, either directly or indirectly, a relationship, be it permanent or temporary, with DEL CONCA.

All these parties will be referred to collectively hereinafter as the "Parties to whom the Code applies". The Parties to whom the Code applies are therefore required to comply with and, within their remit, ensure compliance with the principles and provisions of this Code of Ethics.

Under no circumstances shall allegedly acting in the interests of DEL CONCA justify conduct which breaks the provisions set out herein.

The Code of Ethics is valid both in Italy and abroad, albeit in consideration of the cultural, social, economic, and regulatory diversity of the various countries in which DEL CONCA operates or may operate.

1.3 MISSION

DEL CONCA's mission is to be a leading name in the markets in which it operates and aims to achieve this by focusing on the following aspects:

- Designing, manufacturing, and marketing ceramic materials which meet needs and ideas in architecture and interior design.
- Constantly increasing the environmental sustainability of its production cycle and improving company safety conditions and the working environment.
- Building a reputation as a pioneer of innovation and research.
- Offering customers a guaranteed source of income through the provision of quality products and reliable services.
- Striving for continuous growth, both internally and externally.

1.4 ETHICAL VISION

DEL CONCA aspires to build and maintain trust with its stakeholders, i.e. the individuals, groups, or institutions whose input is an essential part of the DEL CONCA mission or who are in any way concerned by the company's activities.

Stakeholders are those who have invested in the activities of DEL CONCA, and therefore the shareholders first and foremost, but also those who work with the Company, its customers and suppliers, and any other partners of DEL CONCA.

In a broader sense, though, stakeholders also include all those individuals or groups, as well as the organisations and institutions that represent them, whose interests are influenced, either directly or indirectly, by DEL CONCA's activities, such as the local and national communities within which DEL CONCA operates (hereinafter referred to overall as "Stakeholders").

Striving for a proper, transparent relationship with stakeholders guarantees, strengthens, and protects the Company's reputation within the social setting in which it operates.

1.5 ETHICAL BEHAVIOUR

"Ethical behaviour" means acting in a way which reflects the Company's value system, as set out in this Code.

Conversely, behaviour - by any individual or organisation - aimed at appropriating the benefits of others' work by exploiting positions of strength is not ethical and generates adverse assumptions about and hostile attitudes towards the Company.

Unethical behaviour in business activities undermines the trust established between DEL CONCA and its stakeholders.

1.6 THE VALUE OF REPUTATION AND DUTIES OF TRUST

A good reputation is a vital intangible asset for DEL CONCA.

Externally, it contributes to social approval, encourages investments by shareholders, helps strengthen relations with institutions, and attracts the best human resources, while also heightening customer loyalty, peace of mind for suppliers, and confidence among third parties in general.

Internally, it helps make and implement decisions smoothly and organise work without too much red tape or excessive interference by authorities.

The Code of Ethics clarifies DEL CONCA's particular duties towards its stakeholders (duties of trust).

1.7 THE VALUE OF RECIPROCITY

This Code of Ethics is based on the principle of cooperation with mutual benefits for the parties involved and each one respecting the role of the other.

DEL CONCA requires therefore that, in their dealings with the Company, all stakeholders likewise act according to principles and rules inspired by a similar idea of ethical behaviour.

1.8 CODE OF ETHICS AND ITALIAN LEGISLATIVE DECREE N. 231/01

Italian Legislative Decree n. 231 dated 8 June 2001, titled "Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality, in compliance with art. 11 of Italian law n. 300 dated 29 September 2000", has introduced, within the Italian legal system, a system of administrative liability, applicable to entities, for a series of offences that are listed in full, if committed in their interest or for their advantage by any natural persons with powers (including de facto powers) to represent the Company or Company administration or management powers, or any natural persons under the management or supervision of such parties.

Art. 6 of this decree, however, establishes that the entity is not responsible for such offences, if it demonstrates that prior to the commission of the offence it had adopted and effectively implemented "organisation and management models designed to prevent offences of the type that occurred". Such model must envisage the establishment of a supervisory body within the said entity whose duty is to oversee the implementation, effectiveness, and compliance with the aforesaid models, as well as ensuring they are kept up to date.

The guidelines issued and subsequently updated by various associations highlight how the Code of Ethics is an essential element of the organisational model adopted by the entities pursuant to Italian Legislative Decree n. 231 dated 2001. The Code must be an official document, approved by the Company's senior management team, which sets out the rights, duties, responsibilities, and conduct which the Company must apply in its dealings with the Stakeholders, which may be established independently and beyond legal requirements.

What is more, these guidelines identify certain fundamental principles that must be contained in a Code of Ethics, with reference to conduct deemed relevant for the purposes of Italian Legislative Decree n. n. 231/2001, namely:

- a) the entity must, as a fundamental principle, comply with the laws and regulations in all the countries in which it operates;
- b) every transaction or deal must be properly recorded, authorised, verifiable, lawful, consistent, and appropriate for the market;
- c) the entity must abide by a series of fundamental principles concerning relations with its stakeholders.

The adoption of the Code of Ethics is vital for the proper performance of company activities and, at the same time, is an indispensable tool for the monitoring and preventing offences that entities are required to carry out pursuant to Italian Legislative Decree n. 231/2001.

1.9 THE STRUCTURE OF THE CODE OF ETHICS

This Code of Ethics is made up of:

- the *general principles on relations with stakeholders*, i.e. the abstract values underlying DEL CONCA's activities;
- the *conduct criteria applicable to dealings with each category of stakeholder*, which provide specific guidelines and standards that the Members of DEL CONCA's are required to apply in order to uphold the general principles and prevent the risk of unethical behaviour;
- the *implementation methods*, which outlines the supervisory system intended to ensure compliance with and improvements to the Code of Ethics.

1.10 CONTRACTUAL RELEVANCE OF THE CODE OF ETHICS

Compliance with the rules of the Code must be deemed an essential element of the contractual obligations of DEL CONCA employees, pursuant to Articles 2104, 2105, and 2106 of the Italian Civil Code (Diligence of the worker, Loyalty requirement, and Disciplinary measures). Breaching this Code adversely affects the trust established with the Company and can lead to disciplinary action and compensation for damage, without prejudice - for employees - to compliance with the procedures set out in Art. 7 of Italian law n.300/1970 (known as the "Workers' Statute"), collective labour agreements, and the disciplinary system adopted by the Company.

1.11 UPDATES TO THE CODE

If decided with a DEL CONCA board of directors' resolution, the Code may be amended and supplemented, taking into consideration suggestions and advice from the ethics committee and the supervisory body where applicable.

2 GENERAL PRINCIPLES

The following section outlines the key principles and fundamental values which the Parties to whom the Code applies must uphold when pursuing the Company's mission. The provisions contained there have primary and absolute value and on no account can the belief that one is acting for the benefit of the company justify behaviour which conflicts with the principles of the Code.

2.1 LEGALITY

The Company's core principle is compliance with the laws and regulations in force in Italy and in all the countries in which it operates. The Parties to whom the Code applies are required to comply with applicable legislation.

On no account is it acceptable to break the law in the interests of the Company.

This principle must be considered applicable to both the activities carried out on Italian soil and those connected to existing relationships with international businesses.

It is not acceptable to have dealings with parties who engage in illegal activities or are financed by capital from unlawful sources.

The company is committed to ensuring that those to whom the Code of Ethics applies receive proper information and training on the matter.

2.2 RESPONSIBILITY

When pursuing the corporate mission, all the Parties to whom the Code applies must be inspired by the ethics of responsibility.

The Parties to whom the Code applies must carry out their activities with loyalty and effectiveness, with full awareness of the direct and indirect effects produced by their work.

The Company undertakes to promote knowledge of and enhance the effects of the manufacturing processes for which the Company's human resources are responsible.

The level of responsibility of each individual increases with level of authority vested therein and the amount of discretion they are given in their decisions. As a result, the dissemination and implementation of this Code depends on the commitment of everyone but, in particular, of those who have the greatest decision-making power and whose behaviour is recognised as an example to others.

2.3 HONESTY

All activities must be based on honesty above personal or corporate interests and must not involve any actions which breach applicable legislation, this Code of Ethics, or internal regulations.

Situations in which an employee, director, or other Party to whom the Code applies may obtain undue advantage and/or profit from opportunities learned of during and because of the performance of his/her activity must be prevented.

On no account may the pursuit of an interest or advantage of DEL CONCA justify action which is not in pursuit of an honest course of conduct.

2.4 IMPARTIALITY

In decisions affecting relations with stakeholders (relations with shareholders, recruitment and management of personnel, organisation of work, management of customers, selection and management of suppliers, relations with the surrounding community and its institutions), DEL CONCA does not discriminate between stakeholders on the basis of age, gender, sexual orientation, health, race, nationality, political opinions, or and religious beliefs.

2.5 FAIRNESS

When carrying out any activity, all actions must respect the rights of the stakeholders, be consistent with the commitments undertaken, and prevent situations arising in which the parties to the transactions are, or simply appear to be, in conflict of interest.

This means situations in which a Member pursues an interest other than the business mission and the balance of interests of the stakeholders or benefits personally from the Company's business opportunities, as well as if the representatives of customers, suppliers, or public institutions act contrary to the duties of trust arising from their position in their dealings with DEL CONCA.

2.6 CONSISTENCY

Each Party to whom the Code applies undertakes to uphold the Company's values and operating principles on a daily basis and in all their actions.

2.7 TRANSPARENCY

DEL CONCA is committed to ensuring transparent business management, communication, and information.

All actions, operations, and transactions must be properly recorded and the decision-making, authorisation, and performance process must be verifiable.

For any operation or transaction there must be appropriate supporting documents to allow checks, at any time, to verify the characteristics of and reasons for the operation or transaction and identify who authorised, performed, recorded, and audited it.

In addition to always following established procedures, communication must be simple, understandable, timely, and truthful and - if made public - easily accessible to all.

The Company undertakes to provide complete, transparent, understandable, and accurate information, so that the stakeholders can make independent decisions with full understanding of the interests involved, of the alternatives, and of the potential consequences thereof in terms of their dealings with the Company.

2.8 CONFIDENTIALITY

CERAMICA DEL CONCA ensures the confidentiality of the information in its possession, preventing misuse thereof, and refrains from seeking confidential data, which may only be given with express, informed consent and in compliance with applicable legislation.

Furthermore, Members of CERAMICA DEL CONCA are required not to use confidential information for any purposes unrelated to their business activity.

2.9 EFFICIENCY

In all work-related activities, CERAMICA DEL CONCA undertakes to optimise the resources used, appropriately exploiting them without wastage, be such resources human, material, technological, energy, or financial.

2.10 ENGAGEMENT AND FOSTERING OF PEOPLE

CERAMICA DEL CONCA Members are indispensable for the Company's success and for the achievement of its mission.

In consideration of this, CERAMICA DEL CONCA encourages engagement by staff in achieving corporate objectives, recognises the professional contribution of people within a framework of mutual loyalty and trust, and fosters human resources so that they can achieve full satisfaction, while enhancing and increasing the wealth of skills possessed by each and every one of them.

2.11 PHYSICAL AND MORAL INTEGRITY OF INDIVIDUALS

CERAMICA DEL CONCA protects the physical and moral integrity of its Members, ensuring working conditions that respect individual dignity and Providing safe and healthy working environments.

CERAMICA DEL CONCA acknowledges that the protection of health and safety at work is a fundamental and essential element of the Company's organisation.

Consequently, when conducting business, the Company takes appropriate measures (based on the particular nature of the activities carried out, the experience, and the working methods) to protect workers physical wellbeing and moral character.

It is not justifiable to wilfully or negligently breach- or potentially breach - health and safety at work regulations to seek advantages for the Company.

Coercing people to act against the law and the Code of Ethics or to behave in a way which undermines moral and personal beliefs and preferences is not tolerated.

2.12 EQUITY OF AUTHORITY

In the management of relationships in which hierarchical relationships are established- especially with Members - CERAMICA DEL CONCA undertakes to ensure that authority is exercised fairly and correctly, preventing any abuse.

In particular, CERAMICA DEL CONCA guarantees that authority does not become an exercise of power which undermines any Member's dignity and autonomy, and that decisions concerning the working organisation safeguard the value of the Members.

2.13 QUALITY OF SERVICES AND PRODUCTS

CERAMICA DEL CONCA aims to ensure the full satisfaction of its customers, seeking feedback in order to improve the quality of products and services.

It undertakes to pursue the improvement of quality and innovation in its products and services, focusing attention and resources on the use of advanced technologies and innovative techniques.

2.14 FAIR COMPETITION

Competition, when fair and proper, maximises social utility through economic optimisation.

CERAMICA DEL CONCA intends to develop fair competition by adopting principles of fair and proper competition in its dealings with all businesses in the market and all resources within the Company.

2.15 RESPONSIBILITY TO THE COMMUNITY

CERAMICA DEL CONCA is aware of the influence, both direct and indirect, which its activities may have on the conditions, the economic and social development, and the general well-being of the community within which it operates, as well as on the importance of their social acceptance of the Company.

In consideration of this, CERAMICA DEL CONCA intends to base its work to achieve the corporate purpose on social appreciation, respect for local and national communities, and support for cultural and social initiatives in order to enhance its reputation and increase social acceptance thereof.

2.16 ENVIRONMENTAL PROTECTION

The environment is a primary asset which CERAMICA DEL CONCA intends to safeguard when conducting business. To this end, it is committed to applying environmental protection and efficiency criteria to the management of its processes, including: the identification, management, and monitoring of environmental aspects, the rational use of energy resources, and the minimisation of emissions, based on a development model which is compatible with the local area and environment.

3 CONDUCT CRITERIA

3.1 GENERAL INFORMATION

3.1.1 INFORMATION PROCESSING

Stakeholder information is processed by CERAMICA DEL CONCA in full compliance with the confidentiality and privacy of the data subjects.

To this end, specific policies and procedures established for the protection of data are applied and constantly updated; more specifically, CERAMICA DEL CONCA:

- has established an organisation for the processing of information that ensures the correct separation of roles and responsibilities;
- classifies information by increasing levels of criticality, and adopts appropriate countermeasures at each stage of processing;
- requires third parties involved in the processing of information to sign confidentiality agreements.

3.1.2 GIFTS AND BENEFITS

For this specific aspect, CERAMICA DEL CONCA has developed a specific document attached to the company's management and organisation model entitled "Internal Regulations on Gifts " to which reference must be made in full.

3.1.3 EXTERNAL COMMUNICATIONS

CERAMICA DEL CONCA's communications with stakeholders (which may also be the mass media) are based on compliance with the right to information; on no account is it acceptable to disseminate false or biased news or comments.

All communication activity complies with the laws, rules, and practices of professional conduct and is carried out in a clear, transparent, and timely manner.

To ensure completeness and consistency of information, all CERAMICA DEL CONCA's dealings with the mass media are coordinated by the relative department or the general management.

3.1.4 ACCOUNTING RECORDS AND INTERNAL AUDITS

3.1.4.1 TRANSPARENCY AND ACCURACY OF ACCOUNTING RECORDS

Accounting records must be transparent and based on the truth, accuracy, and completeness of information, to ensure the reliability of the administrative and accounting system and the proper portrayal of the Company's financial and equity situation and performance in internal documents, the financial statements, and other corporate communications, as well as in the information provided to stakeholders. All Parties to whom the Code applies are required to cooperate to ensure operating data is recorded correctly and promptly in the accounts.

Accounting records must be based on accurate and verifiable information and must be kept in full compliance with the internal accounting procedures.

All records must reflect exactly the data contained in the support documentation, which must be kept safely and available for reference in the event of audits.

False or artificial accounting entries must not be entered in the Company's accounting

records for any reason. No employee may engage in activities resulting in the said offence, even if requested to do so by a superior.

Any Parties to whom the Code applies who become aware of omissions, falsifications, or neglect of the accounting records or of the supporting documents must notify their superior and the Ethics Committee thereof immediately.

Any staff members required to draw up estimates for financial statements purposes must apply prudence and be knowledgeable in accounting or the relative industry-specific techniques and must work, in any case, with the due diligence required of experts in the industry.

3.1.4.2 INTERNAL CONTROLS

CERAMICA DEL CONCA recognises the importance of an adequate internal control system and how this contributes to improving corporate efficiency.

"Internal controls" are all the tools designed to guide, manage, and verify the Company's activities, to ensure compliance with laws and corporate procedures and the pursuit of the Company's interests, as well as to provide accurate and complete accounting and financial data.

All departments, at all levels of the organisation, are required to contribute to the creation of an effective, efficient internal control system. All CERAMICA DEL CONCA employees are responsible, within the scope of their duties, for establishing and duly implementing the Company's control system. They are required to report any omissions, falsifications, or irregularities which may come to their attention to their superior and to the Ethics Committee.

3.2 CONDUCT CRITERIA APPLICABLE TO RELATIONS WITH SHAREHOLDERS

3.2.1 SHAREHOLDERS

Anyone who holds shares in CERAMICA DEL CONCA is a shareholder.

3.2.2 CORPORATE GOVERNANCE

The activities of the corporate bodies are based on full compliance with the provisions of the Company's Articles of Association, internal regulations, and applicable national and EU legislation. The corporate governance system is centred on:

- maximising the value of the Company in the medium/long-term in order to increase the benefits thereof for shareholders and future generations;
- the distribution of the benefits according to the provisions of the Articles of Association;
- compliance with shareholders' rights;
- monitoring of business risks;
- socially responsible management;
- business equity protection.

Corporate governance in CONCA CERAMICS is based on diligence and is incompatible with the exploitation of insider information for either personal ends or in the interests of a group.

CERAMICA DEL CONCA shareholders undertake to respect the decisions made by the governing bodies in accordance with the powers vested therein.

The power to influence corporate governance is the same for all shareholders. It is therefore not acceptable for specific groups of shareholders to organise themselves in order to obtain privileges in exchange for support for those with governance roles

3.2.3 RELATIONSHIPS WITH THE SHAREHOLDERS

CERAMICA DEL CONCA is founded on the concept of the democratic participation of shareholders based on corporate ownership and control rights.

In consideration of this, CERAMICA DEL CONCA is committed to ensuring that all shareholders are recognised as having equal information rights, thereby promoting widespread, conscious decision-making by shareholders in the decisions within their scope of responsibility.

3.2.4 ENHANCEMENT OF SHAREHOLDINGS

The activities of CERAMICA DEL CONCA are oriented towards satisfying and protecting its shareholders, striving to ensure the Company performs at a level that both safeguards and increases equity, in order to guarantee greater profits for shareholders as a result of their shareholdings in the Company.

3.3 CONDUCT CRITERIA APPLICABLE TO RELATIONS WITH EMPLOYEES AND OTHER MEMBERS

3.3.1 EMPLOYEES AND OTHER MEMBERS

In this Code, a Member is any employee or other person who, regardless of the legally defined status, has a working relationship with CERAMICA DEL CONCA and whose goals within this relationship are those of the Company.

3.3.2 STAFF RECRUITMENT

Staff are recruited and hired based on whether or not they meet the Company's expectations and needs, with a process that guarantees equal opportunities for all candidates.

The information requested during recruitment and hiring is required strictly to assessing professional, psychological, and attitudinal aspects, while always respecting the candidate's privacy and opinions.

During recruitment and hiring, the relative department takes measures (within the limits of available information) to prevent favouritism, nepotism, and clientelism (for example, ensuring there are no family ties between the recruiter and the candidate).

3.3.3 ESTABLISHMENT OF THE RELATIONSHIP

Staff are hired with a formal employment agreement; any form of non-compliant work or work which in some way evades legislation in force is not tolerated.

Upon establishment of the employment relationship, every employee is informed in detail of:

- the specifics of the job and tasks to be performed;
- regulatory and remuneration aspects, as per the national collective labour agreement in force;
- the rules and procedures to follow to prevent potential work-related health risks;
- this Code of Ethics.

This information is presented to the Member in such a way that acceptance of the position is based on their effective understanding of the information.

3.3.4 STAFF MANAGEMENT

3.3.4.1 STAFF ASSESSMENT

CERAMICA DEL CONCA does not discriminate against its Members in any way.

Decisions made during personnel management and development processes, as well as recruitment, are based on whether or not Members fit requirements (e.g. in the case of promotion or transfer) and/or on the basis of merit (e.g. when awarding results-based bonuses).

Positions and offices are assigned in consideration of the candidate's skills and abilities; moreover, compatibly with overall efficiency, we aim to offer flexibility in the organisation of work in order to facilitate conditions for maternity and childcare in general.

Members are assessed employing a processes involving a broad spectrum of people including department managers, the personnel department, and - where possible - other people who have dealings with the Member undergoing assessment.

Within the limits of available information and the protection of privacy, the personnel department works to prevent favouritism, clientelism, and nepotism (for example, there can be no hierarchical relationships between Members of the Company who are members of the same family).

3.3.4.2 DISSEMINATION OF STAFF POLICIES

Human resource management policies are made available to all Members through corporate communication tools.

3.3.4.3 TRAINING AND ENHANCEMENT OF HUMAN RESOURCES

The department managers work to enhance all the skills demonstrated within CERAMICA DEL CONCA, taking action to encourage the development and growth of its Members.

Given this premise, it is particularly important that the managers inform employees of their strengths and weaknesses, so that the staff in question can aim to improve their skills, through targeted training where possible.

In order to enhance the specific skills and maintain the professional value of its staff, CERAMICA DEL CONCA provides all Members with the necessary information and training tools.

Training about the Company is provided at certain times in the Member's life with the Company (for example, training following hiring is envisaged pursuant to Italian Legislative Decree 231/2001, which includes an introduction to the Company and its business) and recurrent training is provided to operating personnel.

3.3.4.4 MANAGEMENT OF MEMBERS' WORKING HOURS

Each department manager is required to make proper use of Members' working hours by assigning tasks which are consistent with their job descriptions and with the work organisation plans.

Requesting, in the capacity of a superior, services, personal favours, or any behaviour breaching this Code of Ethics constitutes abuse of authority

3.3.4.5 ENGAGEMENT OF MEMBERS

Getting Members engaged in their work is encouraged by - amongst other things - providing them with opportunities to participate in discussions and decisions which are instrumental to achieving corporate objectives.

Members must bring a spirit of cooperation and independent thought to these meetings.

Seeking various points of view, compatibly with corporate requirements, enables managers to reach decisions; Members must always contribute to the implementation of the activities established.

3.3.5 ACTION CONCERNING ORGANISATION OF WORK

In the event of restructuring, human resources are safeguarded by providing, where necessary, training and/or professional re-qualification initiatives.

Furthermore, in the event of new or unexpected circumstances, which must in any case be clarified, Members may be assigned different tasks with respect to those carried out previously, in which case the skills thereof will be safeguarded.

3.3.6 HEALTH AND SAFETY

CERAMICA DEL CONCA is committed to strengthening and disseminating awareness of safety by increasing sensitivity to risks and encouraging responsible behaviour by all Members.

The Company also works, through prevention first and foremost, to preserve the health and safety of workers and all those who have access to the company's premises.

To this end, it implements technical and organisational actions including:

- establishing an integrated risk and safety management system designed to identify the main critical issues concerning processes and resources to be protected;
- adopting the best technologies;
- monitoring and updating working methods;
- arranging training and communication activities.

3.3.7 INTEGRITY AND PROTECTION OF INDIVIDUALS

The moral integrity of Members is protected by guaranteeing working conditions that respect the dignity of each individual. Therefore, CERAMICA DEL CONCA protects workers against psychological violence and works to prevent discriminatory or harmful behaviour, or behaviour which undermines the individual or their beliefs or preferences (for example, verbal abuse, threats, isolation, excessive intrusiveness, and limits to professional capacities).

3.3.8 PRIVACY

Members' privacy is protected by adopting standards that specify what information the company may seek from the Member and the relative methods of processing and storage.

It is not acceptable for the Company to seek information about Members' personal thoughts, preferences, or tastes or their private life in general.

These standards also specify that, unless provided for by law, the Company may not disclose or disseminate personal data without the data subject's prior consent and include provisions to ensure all Members are familiar with the data protection policy.

3.3.9 MEMBERS' DUTIES**3.3.9.1 CONDUCT REQUIREMENTS**

Members must act loyally and in compliance with the requirements envisaged in the employment agreement and with the provisions of the Code of Ethics and must render the required services.

3.3.9.2 INFORMATION MANAGEMENT

Members must be familiar with and implement company policies regarding information security in order to ensure the integrity, confidentiality, and availability of information.

Members must process documents using clear, objective, and detailed language, allowing checks by any colleagues, managers, or external parties authorised to request them.

3.3.9.3 CONFLICT OF INTEREST

All CERAMICA DEL CONCA MEMBERS are required to prevent situations and activities in which conflicts of interest may arise and to refrain from gaining personal advantage from business opportunities which may come to their attention when going about their duties.

By way of a non-limiting example, a conflict of interest may consist of any of the following situations:

- holding a senior position (managing director, director, department manager) and having financial interests in dealings with suppliers, customers, or competitors (e.g. ownership of shares, professional assignments, etc.) including therein through family members;
- handling relations with suppliers and working for a supplier (or having a family member who works with a supplier);
- accepting money or favours from people or businesses that have or intend to have business relationships with CERAMICA DEL CONCA.

If a Member is in a situation which constitutes or may constitute or result in a conflict of interest, the Member is required to inform their superior thereof, who will inform the CERAMICA DEL CONCA Ethics Committee according to procedure, after which the latter will assess the situation on a case-by-case basis.

Members are also required - in accordance with the provisions of the current employment agreement - to inform their manager and the Ethics Committee of any activities carried out outside work which appear to conflict with the interests with CERAMICA DEL CONCA.

3.3.9.4 USE OF COMPANY PROPERTY

Each Member is required to work conscientiously to protect company property, behaving responsibly, following the operating procedures governing use of these assets, and documenting use accurately.

More specifically, each Member must:

- use the property entrusted to them carefully and sparingly;
- not use any property in a way which may cause damage or reduce efficiency, or in any way in conflict with the Company's interests.

Each Member is responsible for looking after the resources entrusted to them and is required to promptly inform those in charge in the event of threats or situations which are harmful to CERAMICA DEL CONCA.

CERAMICA DEL CONCA reserves the right to prevent misuse of its property and facilities through the use of any form of data collection and operations monitoring system, as well as the performance of risk analysis and prevention activities, without prejudice to compliance with the provisions of current laws of confidentiality of information (data protection law, workers' statute, etc.).

As regards IT applications, each Member must:

- comply strictly with the provisions of the Company's security policies, in order not to jeopardise IT systems' operation and protection;
- not send threatening or abusive emails, use crass language, nor make inappropriate comments which may offend the person receiving them and/or damage the Company's image;
- not use websites with indecent or offensive content.

3.4 CONDUCT CRITERIA APPLICABLE TO RELATIONS WITH CUSTOMERS

3.4.1 CUSTOMERS

Anyone who uses the Company's products or services, in any capacity, are deemed customers.

3.4.2 IMPARTIALITY

When going about its business activities, CERAMICA DEL CONCA undertakes not to arbitrarily discriminate between its customers.

3.4.3 AGREEMENTS AND COMMUNICATIONS AIMED AT CUSTOMERS

The agreements and communications aimed at CERAMICA DEL CONCA customers (including advertising messages) are:

- clear, simple, and expressed using language which is as close as possible to that normally used by the stakeholders;
- compliant with current regulations, without resorting to evasive or unfair practices;
- complete, so that no information which could affect the customer's decision is overlooked.

The purposes and target of the communications determine, from time to time, the choice of the most suitable channels for conveying the content without coercion or pressure, and undertaking not to use misleading or untruthful advertising tools.

3.4.4 MEMBERS' STYLE OF CONDUCT

CERAMICA DEL CONCA's behaviour towards customers is centred on willingness, respect, and politeness, with a view to ensuring a cooperative and highly professional relationship.

Therefore, Members must:

- comply with the internal procedures for managing relations with customers;
- supply products and services that meet the customer's expectations and needs, doing so efficiently, politely, and within the limits of the contractual provisions;
- provide comprehensive, accurate information about products and services so that the customer can make informed decisions.

3.4.5 QUALITY MANAGEMENT

CERAMICA DEL CONCA undertakes to guarantee the services offered meet appropriate quality standards based on established levels and to periodically monitor perceived quality.

It undertakes to ensure that the services provided to customers meet established quality standards, in compliance with the quality assurance manual titled FPC (Factory Product Control).

In compliance with current regulations governing ceramic tile supply standards, this manual is constantly updated through specific management review meetings. Since total quality is a goal for which the Company strives at all times, CERAMICA DEL CONCA sets itself continuous improvement objectives.

3.4.6 CUSTOMER ENGAGEMENT

CERAMICA DEL CONCA works actively to respond to suggestions and complaints from customers and consumer associations, using suitable and timely communication methods (for example, call centres, customer care email addresses).

CERAMICA DEL CONCA informs customers that it has received their email and how long they should expect to wait for a reply which, however, must be short.

3.4.7 FAIR CONTRACT MANAGEMENT

Agreements with suppliers are managed fairly and without any possible form of misuse. CERAMICA DEL CONCA promptly and accurately informs the supplier of the specifics of the business and the payment methods and times, in compliance with applicable legislation and in line with the supplier's expectations, given the circumstances, negotiations, and content of the agreement.

The supplier must provide the contractual services on the basis of fairness, professionalism, diligence, and good faith and in compliance with applicable legislation.

3.4.8 ETHICAL COMPLIANCE BY SUPPLIERS

Breaches of the general principles of the Code of Ethics leads to penalties, aimed - amongst other things - at preventing offences being committed through CERAMICA DEL CONCA's activities.

To this end, specific clauses are provided in the individual agreements.

In particular, contracts with suppliers from countries at "risk" (i.e. those defined as such by recognised organisations) contain clauses envisaging:

- self-certification by the supplier of compliance with specific social requirements (for example, measures guaranteeing respect for workers' fundamental rights, equal treatment and non-discrimination, protection of working children);
- the possibility of implementing controls at the supplier's manufacturing facilities or operating premises, in order to monitor whether these requirements are met.

3.5 CONDUCT CRITERIA APPLICABLE TO RELATIONS WITH THE COMMUNITY

3.5.1 COMMUNITY

The term "community" refers to the system made up of land, people, and institutions.

Land means a specific physical space, with its natural and historical needs.

People are those who live and work in the area.

Institutions are the organisations that make the community work and other forms of social organisation possible.

3.5.2 ENVIRONMENTAL POLICY

As regards environmental protection, CERAMICA DEL CONCA has environmental and sustainable industrial development policies in place and guidelines for their implementation within the Company and adopts the following environmental policy tools:

- ☐ compliance with environmental legislation
- ☐ compliance with ISO 14001 requirements
- ☐ commitment to further minimising and, where possible, eliminating the negative environmental impacts generated by the Company's activities and plants
- ☐ correct application of technologies to contain environmental impacts and, where possible, pursuit of improvement of these technologies or the adoption of more advanced technologies
- ☐ staff engagement, participation, and awareness to ensure full dissemination of company policy and sharing of objectives to develop an environmentally aware culture oriented towards prevention
- ☐ provision of appropriate information and training to all staff relating to the environmental requirements applicable to their role in the Company and raising of awareness among staff that incorrect behaviour can lead to negative impacts on the environmental management system
- ☐ periodic reviews of the policy and of the implementation of the environmental system, to assess its correctness and effectiveness with a view to continuous improvement
- ☐ voluntary agreements with environmental and trade associations and institutions
- ☐ establishment of a periodic environmental data acquisition system

3.5.3 RELATIONS WITH PUBLIC INSTITUTIONS

To protect the overall interests of CERAMICA DEL CONCA and enable the implementation of its plans, all the relations with public, local, national, and international institutions are handled exclusively by the departments and managers assigned to this activity.

These relations must be based on the utmost transparency and honesty, detail and consistency, without hampering inspection activity in any way and without collusive behaviour.

CERAMICA DEL CONCA adopts a specific organisational model for the prevention of offences against government agencies.

3.5.4 FINANCIAL RELATIONSHIPS WITH PARTIES, TRADE UNIONS, AND ASSOCIATIONS

CERAMICA DEL CONCA does not finance political parties, either in Italy or abroad, nor representatives or candidates thereof, nor does it sponsor conferences or festivals with a political agenda. It does not apply pressure, either directly or indirectly, to political leaders.

If, for reasons strictly related to the presence of CERAMICA DEL CONCA in the local area, there is an opportunity to participate in events of this kind, the relative department must seek prior permission from the Ethics Committee, which will decide on a case-by-case basis. The Company may not participate until the Ethics Committee has specifically authorised the action in question.

CERAMICA DEL CONCA does not make donations to organisations with which there may be a conflict of interest; however, the Company may contribute, financially or otherwise, to these organisations for specific projects if the purpose is linked to CERAMICA DEL CONCA's mission and the allocation of the resources is clear and documentable. It is the Ethics Committee's duty to decide whether or not the initiative is appropriate: the Company may not participate until the Ethics Committee has specifically authorised the action in question.

3.5.5 DONATIONS AND SPONSORSHIPS

CERAMICA DEL CONCA can meet requests for contributions limited to proposals from not-for-profit organisations and associations which are duly established with a Memorandum and Articles of Association and have a high cultural, social, or beneficial value or, in any case, a significant number of supporters.

CERAMICA DEL CONCA can only provide sponsorship for activities relating to social, environmental, sports, entertainment, or art issues which guarantee quality assurance or for which the Company can be involved in the planning in order to guarantee originality and effectiveness.

In any case, when deciding which proposals to accept, CERAMICA DEL CONCA is particularly careful to prevent any possible conflict of interest of a personal or business nature.

The provision of contributions, donations, and sponsorship is governed by a specific procedure.

4 IMPLEMENTATION METHOD

4.1 RESPONSIBILITY FOR IMPLEMENTATION

All responsibilities relation to the dissemination and implementation of this Code lie with the Board of Directors.

For the purpose of carrying out the activities necessary for the application of this Code, specific responsibilities are assigned to the Ethics Committee, as set out in the following respective sections.

4.2 DUTIES OF THE ETHICS COMMITTEE IN TERMS OF IMPLEMENTING AND MONITORING THE CODE OF ETHICS

With regards to the Code of Ethics, the Ethics Committee is tasked to:

- answer requests for clarification of the Code of Ethics;
- verify the application of and compliance with the Code of Ethics through Ethical Internal Auditing; this consists of monitoring and promoting the continuous improvement of ethical standards in CERAMICA DEL CONCA's activities through analysis and assessment of the ethical risk control processes;
- monitor initiatives for the dissemination of knowledge and understanding of the Code of Ethics, in particular: ensuring the development of ethics training and communication activities; analysing proposals to review company policies and procedures with significant impacts on company ethics, and preparing guidelines for corrective actions;
- receive and examine reports of breaches of the Code of Ethics and investigate such breaches;
- make decisions concerning breaches of the Code, establishing the penalties to apply and notifying them to the Board of Directors, which will then apply them;
- express binding opinions on the review of the most significant policies and procedures, in order to guarantee their consistency with the Code of Ethics;
- periodically review the Code of Ethics. To this end, the Committee assesses:
 - ethics training and communication plans;
 - documentation of the planning of the activities and subsequent feedback from the department managers.

These activities are carried out with the support of the departments concerned and, furthermore, with free access to all the paperwork deemed useful.

4.3 COMMUNICATION AND TRAINING

The Code of Ethics is disseminated among internal and external stakeholders through specific communication activities.

In order to ensure proper understanding of the Code of Ethics by all CERAMICA DEL CONCA Members, the personnel department arranges and implements (based also on guidelines issued by the Ethics Committee) a training plan intended to promote knowledge of ethical principles and standards. These training initiatives differ depending on the Members' positions and responsibilities; a special training program is provided for newly hired staff, which illustrates the contents of the Code.

4.4 WHISTLEBLOWING

CERAMICA DEL CONCA establishes communication channels for the various kinds of stakeholder, which can be used to make reports (for example, a unit responsible for relations with consumer associations, one for environmental associations, for suppliers, for staff, call centres for customers, etc.).

Alternatively, all CERAMICA DEL CONCA stakeholders can report any breach or suspected breach of the Code of Ethics¹ in writing to the Company's Ethics Committee.

The Ethics Committee examines the report and then decides whether or not to open the assessment procedure. This decision is always explained in writing by the Ethics Committee.

In the event of an assessment procedure, the Ethics Committee carries out the investigation, seeking further information from the whistleblower if necessary, as well as from the person accused of the alleged breach, in addition to collecting any other useful witness accounts.

The Ethics Committee takes action to guarantee the whistleblowers against any type of reprisals, i.e. any action which could be construed as discrimination or penalisation (for example, for suppliers: discontinuance of business relationships, for employees: being overlooked for promotion, etc.). The whistleblower is guaranteed anonymity, except as required by legal provisions.

4.5 BREACHES OF THE CODE OF ETHICS AND PENALTIES

Following due examination of alleged breaches of the Code of Ethics established as a result of whistleblowing and subsequent assessment procedures, the Ethics Committee decides whether or not the behaviour reported should be deemed a breach of the Code of Ethics.

In the event of a breach, the Ethics Committee notifies the CERAMICA DEL CONCA board of directors thereof and of the consequent measures, in accordance with applicable and the disciplinary system adopted by the Company.

Upon notification by the Board of Directors, the respective departments issue the measures, oversee their implementation, and report the outcome to the Ethics Committee and the supervisory body of CERAMICA DEL CONCA.

¹ Reports may be made in the following way:

- a) by email to: comitatoetico@delconca.com ;
- b) letter to: DEL CONCA S.P.A. - Ethics Committee - Via Croce, 8 - 47832 San Clemente (RN)