

# ANTI-CORRUPTION GUIDELINES



Approved by the board of Ghella S.p.A. on 18 April 2019

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# 1. INTRODUCTION

**MISSION** Build excellence in a sustainable and innovative way

**VISION** Leave a better world to the next generations

In line with the principles expressed in its Code of Ethics, Ghella S.p.A. with all its subsidiaries (hereinafter referred as “Ghella”) is committed to guaranteeing the integrity, transparency and ethical behaviours in all its activities.

Ghella refuses involvement with individuals or organisations that carry on unlawful activities or activities financed by unlawful capital. Furthermore, in accordance with the ethical principles related to the prevention of corruption outlined in its Code of Ethics, Ghella prohibits any actions carried out towards or by a third party aiming at promoting or favouring its own interests, securing a benefit or affecting impartiality and independent judgment.

Ghella takes all precautionary measures needed to prevent corruption and behaviours that might put the company at risk of corruption-related crimes, and it will not tolerate any attempts to offer or accept inducements in order to obtain direct or indirect benefits for the company.

Ghella is aware of the importance and value of preserving its long-standing reputation in the construction industry, which requires not only a shared sense of compliance and ethical behaviour among its workforce and partners but also a set of rules, principles and controls aimed at ensuring its business is conducted with integrity, transparency and compliance with laws and internationally recognised ethical principles. Thus, drawing on international best practices, Ghella has adopted a set of comprehensive anti-corruption guidelines applicable worldwide, to address the global nature of its business.

This approach puts Ghella in the best position to fight corruption.

## 2. PURPOSE OF THE ANTI-CORRUPTION GUIDELINES

The purpose of the Anti-corruption Guidelines is to state Ghella's zero tolerance for corruption with a commitment to condemn and prevent any form of corruption and bribery, in accordance with Ghella's Code of Ethics and with the anti-corruption procedures that Ghella has implemented locally.

It also offers Ghella's workforce, contractors and partners a set of guidelines (principles, controls, etc.) for identifying and preventing potential corruption and bribery events. The correct application of these guidelines and of the related procedures will ensure all activities are conducted in a fair and transparent way.

## 3. RANGE OF APPLICATION

This document, which has been approved by the Board of Ghella, is addressed to the workforce of Ghella and all of its direct and indirect subsidiaries, whether they be executives or employees, and shall be applied in conjunction with legal requirements and regulations locally in force.

For a detailed guidance on *general standards of behaviour*, these guidelines should be applied in conjunction with the latest version of Ghella's *Code of Ethics* document.

These guidelines are also aimed at external stakeholders to inform them about the principles followed by Ghella to fight corruption and bribery practices in its operations.

Ghella and all of its direct and indirect subsidiaries in all geographical locations will adopt this document, without exceptions, from the date issued.

In those cases where specific local regulations require a foreign subsidiary to adopt its own anti-corruption code, this must comply with the present guidelines, which must constitute the basis of the local code.

These guidelines are also publicly available on Ghella's website, communicated internally and externally to all employees, business partners and other relevant parties.

## 4. REFERENCES

Anti-bribery and anti-corruption compliance have become a top priority for responsible companies, with international media covering cases of breaches on a daily basis.

At the same time, global players like Ghella need to keep up to date with changes in legislation on the topic, both in their domestic markets and abroad.

In line with this trend, the number of countries globally that have established sophisticated anti-bribery and anti-corruption laws has been steadily increasing in recent years. Many countries have now implemented laws to fight international corruption, as well as corruption of foreign public officials by entities in their jurisdiction, and corruption among private parties.

Given the global nature of the issue, enforcement agencies of different countries are increasingly cooperating in their fight against corruption.

### 4.1. BEST PRACTICE AND ANTI-CORRUPTION LAWS

As Ghella operates internationally, its employees are subject to the laws of different countries, including anti-corruption laws in the public and private sector.

For this purpose, Ghella is committed to align its activities to best practice set out by international private bodies (ICC – International Chamber of Commerce, Transparency International, PACI – Partnering against Corruption Initiative and the Global Compact of the United Nations, UNI ISO 37001), such as:

- The OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions;
- The United Nations Convention Against Corruption;
- The Foreign Corrupt Practices Act (FCPA) issued in the United States;
- The UK Bribery Act issued in the United Kingdom;
- All subsequent amendments and additions of the above.

Whenever local legislation in the countries where Ghella operates is more restrictive than what is outlined in the context of the present document, the related Ghella subsidiary shall adopt the stricter legislation.

In particular, as Ghella's headquarters are based in Italy, its employees are subject to Italian law, including the provisions of Legislative Decree 231/2001. This decree describes administrative liability of entities for crimes regarding, for example, domestic or international corruption, committed in Italy or abroad, by company administrators, employees or collaborators, in the interest or to the benefit of the company.

In compliance with applicable laws and regulations, Ghella condemns the corruption among private parties, as well as among public officials.

#### 4.2. NON-COMPLIANCE WITH ANTI-CORRUPTION LAWS

Infringements of anti-corruption laws may result in fines for both the company or the individual involved - who could, in some jurisdictions, also face imprisonment.

Other legal consequences that may also derive from bribery violations include debarment from contracting with public administrations, and/or confiscation of profit or damage claims. In addition to this, and most importantly, the consequences of such events can have serious reputational impacts.

#### 4.3. BRIBES AND CORRUPTION DEFINITIONS

In line with its Code of Ethics, Ghella prohibits bribery in all its forms, without exception.

Therefore, prohibition is not limited to cash payments, but includes anything of value used with the intent to corrupt, such as charitable donations, loans, travel expenses, facilitation payments, gifts, sponsorships, meals, entertainment, job placements, reciprocal favours and any other benefits or advantages.

In particular, Ghella prohibits:

- Active Bribery: offering, promising, giving, paying or authorising anyone to give or pay, directly or indirectly, material, financial or other advantage to a public official or private party.
- Passive Bribery: accepting or authorising anyone to accept, directly or indirectly, a request or solicitation from a public official or private party of a financial or other advantage.

## 5. ROLES AND RESPONSIBILITIES

Ghella's Management Board is responsible for ensuring compliance with these guidelines.

Managers and executives shall also serve as role models in implementing and observing these guidelines, by resolutely addressing corrupt conduct in their respective areas, ensuring that the workforce is familiar with these guidelines and with the Code of Ethics, and strictly observing the provisions therein.

The Compliance & Sustainability Unit is responsible for, *inter alia*:

- Reviewing the present document whenever changes to national or international laws are introduced, which are referred to herein as best practice. These include also changes to regulations, statutes, treaties, rules and widely accepted ethical principles;
- Monitoring business developments which, from time-to-time, might require the present document to be updated;
- Supporting and assisting the functions / units of Ghella and of its affiliates in the adoption and communication of the present document's requirements;
- Coordinating the due diligence process and the reporting related to the commitments made in this document;
- Providing regional compliance managers with assistance and specific policies on anti-corruption matters;
- Collecting periodic results of checks carried out by regional compliance managers on global policies.

Due to the international nature of Ghella, regional compliance managers are assigned to support the Compliance & Sustainability Unit by dealing with cases brought to their attention under the relevant local laws. Regional compliance managers will:

- Investigate cases brought to their attention, respecting confidentiality;
- Assess the legal implication of the case;
- Advise on any actions to be taken;
- Seek external legal advice where appropriate;
- Prepare annual reports for the Compliance & Sustainability Unit.

All revisions to this document shall be subject to approval by the Board of Directors of Ghella.

## 5.1. TRANSPARENCY AND FOUR EYES PRINCIPLE

In order to protect Ghella and its workforce, all business decisions, including inter alia benefits of any kind, as well as the establishment of business relationships and critical activities, are based on the principle of transparency and the four-eyes principle.

The Four Eyes principle refers to mutual responsibility and is a control mechanism that serves as personal protection as well as protection of other colleagues. If the Four Eyes principle cannot be applied in exceptional cases, all other available anti-corruption measures must be taken and documented clearly, consistently and understandably.

# 6. GHELLA GLOBAL ANTI-CORRUPTION GUIDELINES

## 6.1. KEY ANTI-BRIBERY AND ANTI-CORRUPTION PRINCIPLES

### 6.1.1. Dealing with public authorities and private entities

In line with Ghella's Code of Ethics, the company promotes the establishment of transparent relations with Institutions as well as civil society organisations in all countries where it operates.

Relations with public administrations and with national and International Institutions, include but are not limited to, relations with the following subjects:

- Public officers or persons in charge of public services, operating on behalf of central and local public administrations, institutions, international public organisations and/or those of any foreign state;
- The judiciary;
- Public supervisory authorities and other independent authorities;
- Private partners who are public service licences;
- Social security institutions;
- Organisations involved in the collection of taxes;
- Entities responsible for safety and accident prevention and similar and any other entity belonging to public administration.

Since connections with public officials, or any person associated with public officials, represent risk areas where compliance breaches might occur with reputational consequences for the organisation, any activity carried out in



such contexts (e.g. entering into commitments, managing dealings, etc.) is assigned specifically to the relevant organisational units / business areas, and in particular to the authorised employees.

Furthermore, such activities must be carried out in a transparent, rigorous and coherent way, especially when carrying out activities such as, *inter alia*:

- Awarding of contracts in a competitive environment, management of contracts or the negotiation of extensions, variants, complains;
- Obtaining authorisations, permissions, licenses, concessions or other approvals for which the public administration is responsible;
- Arbitration or legal disputes with public administrations and with private parties
- Inspections led by public authorities
- Requests for management and use of financing, however described, of public origin (national, European or international);

With reference to dealings with regulatory, supervisory and control authorities, Ghella requires the recipients of this document to adhere to the rules established by such subjects in order to ensure compliance in the areas within their remit, by fulfilling any requests made during inspections and by cooperating in the relative activities.

The same applies when dealing with private entities, such as companies, foundations, associations or any person associated with, that might be engaged in activities whose execution or non-execution can cause advantages / can represent an interest for Ghella companies.

In order to comply with the relevant regulations and avoid compliance risks, the recipients of this document and of the Code of Ethics must abide to the following principles and minimum standards:

- Carry out activities in compliance with all relevant laws and regulations, as well as Ghella 's internal guidelines on such matters;
- Any relation with public officials / relevant private entities must be based on transparency, traceability and strictly reserved only to those with the necessary authority to do so;
- When dealing with executives, officers, employees of the public administration, those responsible for public service, or their family members, as well as with relevant third parties, it is prohibited to:
  - Offer, promise (directly, indirectly or through intermediaries) money, gifts or remuneration, in any form, to exert unlawful pressure, also if induced;

- Promise assets, services, performances or favours (also if induced), for the purpose of inducing them to carry out an official act contrary to the official duties of the public administration (considering as such also the purpose of favouring or damaging a party in civil, criminal or administrative proceedings, bringing a direct or indirect advantage to the company);
- Circumvent the above provisions through the use of various forms of assistance and contributions which, in the form of commissions, consultancies, advertising, etc, reach purposes similar to those prohibited by the organisation.

Anyone receiving explicit or implicit requests for benefits, of any kind, from subjects of the public administration / relevant private parties, as defined above, is asked to immediately suspend all relations with them and inform their direct supervisor immediately.;

Furthermore, recipients of these guidelines are required to:

- Implement specific procedures for the processes involving contacts with the public administration, assuring, in particular, the segregation duties and the traceability of the process;
- Identify the subjects authorized to engage with the public administration and provide them a specific training.

### 6.1.2. Facilitation and extortion payments

Ghella prohibits any types of so-called facilitation and extortion payments, in Italy and abroad, related to a public official (or a person performing a public service) or to a relevant private entity (hereinafter referred as “third party”).

In particular, the following definitions apply:

- Facilitation payments: any unofficial payment / payoff given directly or indirectly to a third party, in order to hasten, facilitate or simply guarantee the performance of a routine action or, otherwise a lawful and proper activity falling within the scope of duties of such parties;
- Extortion payments: any payment made by Ghella’s employees to a third party, under threats, violence or force.

Ghella will not tolerate actions of its employees or affiliates offering, promising, soliciting, demanding, giving or accepting any facilitation payment to or from any third party.

Furthermore, extortion payments have to be identified and documented immediately.

Where violence or threats may occur, line managers / supervisors must be promptly informed, indicating the date, place and amount paid, as well as a detailed description of the circumstances of the episode when the extortion took place.

### 6.1.3. Gifts

Ghella, where permitted by applicable laws, allows the offer of gifts (presents or any other financial benefits, hereinafter referred to as “gifts”) aimed solely at promoting its image. Gifts shall not exceed the normal commercial and courtesy practices, nor be interpreted as a means to obtain favourable treatments in performing any activity connected with Ghella. Certain local regulations may establish a maximum financial value for gifts or specific procedures for the purchase and delivery of gifts to public officials. Additionally, certain private entities may also have limitations on the acceptance of gifts by their employees. No offer, purchase or delivery of gifts should be made in breach of such applicable regulations.

Ghella does not allow accepting sums of money or gifts to/from third parties, in order to obtain direct or indirect benefits for itself; donations that fit in with customary usage in the matter of courtesy and for special anniversaries are acceptable.

In order to comply with relevant regulations and avoid compliance risks, the recipients of this document and of the Code of Ethics (where applicable) must abide to the following principles and minimum standards:

Gifts must:

- Not be a cash payment or a cash equivalent;
- Not been given nor received when they could be considered by an impartial observer as aimed at creating an indebtedness, placing an obligation or undue influence on the other party;
- Be of modest value and in any event not exceed predetermined thresholds (stated in the relevant company’s documentation);
- Be in compliance with laws and regulations of local countries of both giver and recipient, as well as with relevant company’s internal regulation (procedures);
- Be registered, otherwise not offered or accepted secretly;
- Be, in all circumstances, provided in good faith and reasonably related to business purposes.

In order to avoid any actions in conflict with the provisions of the law or the integrity of Ghella, the above-mentioned operations and related management of financial resources shall be carried out only by the duly

authorized organisational corporate units, in compliance with the laws and the principles set out in the Code of Ethics and in strict observance of the approval cycles outlined in the procedures adopted by Ghella.

Each director, employee and consultant of Ghella shall refrain from accepting presents or gifts that exceed a modest value or in any case the normal courtesy practices, as well as from accepting, for themselves or for others, offers of benefits or utilities exceeding the normal commercial relationships and however aimed at, or capable of, compromising the independence of judgement and the operational fairness. Directors, employees and consultants who receive gifts or benefits not falling within the allowed types will inform the local compliance officer for the appropriate evaluations.

Every expenditure related to gifts has to be duly recorded in the relevant books and records by the competent organisational units / business areas, since any undisclosed/unrecorded account, fund, asset or transaction is forbidden by Ghella.

#### 6.1.4. Business Hospitality and PR Events

Business Hospitality refers to expenses related to trips, accommodations, meals or any other benefits or similar expenses provided directly to third parties by Ghella.

In order to comply with the relevant regulations and avoid compliance risks, the recipients of this document and of the Code of Ethics must abide to the following principles and minimum standards, in line with specific internal procedures namely:

- Business hospitality and PR events must be clearly and directly connected to a legitimate business purpose;
- Business hospitality must be provided to third parties through the direct offer of the service rather than through the reimbursement of expenses, except for cases in which the approval of the relevant process owner has been obtained;
- Expenses related to PR events have to fall within the criteria of reasonableness and good faith, in line with specified financial thresholds;
- Ancillary expenses cannot be offered or provided, unless they have been previously approved in writing by the process owner;
- A specific authorisation process must be followed, and all records and documentation requirements must be fulfilled.

#### 6.1.5. Political contributions

Political contributions can be seen as a potential means for corruption practices since they might be used as bribery to maintain or seek advantages (awarding of contracts, grant of permissions and licenses, etc.).

In such context, Ghella pays close attention to any contributions (made directly or indirectly, in whatever form) made to political parties, movements, committees, political organisations and trade unions (including to their representatives and candidates).

Ghella formally disciplines that when such contributions are deemed appropriate by the respective process owner, they have to be carried out in accordance with existing laws and subject to prior approval by Ghella's Board of Directors.

The company refrains from taking actions that may directly or indirectly represent forms of undue pressure against politically exposed persons, trade unions or political organisations.

#### 6.1.6. Sponsorship and charitable contributions

Charitable contributions may be part of Ghella's commitment to support local communities in the areas in which it operates, aimed at acting as a responsible member of society.

Ghella may accept requests for contributions, within the limit of proposals originating from bodies or associations, intended for cultural, charitable, social and humanitarian initiatives. Furthermore, Ghella can support through sponsorship events to respond to local needs of the communities in which it conducts business.

It is crucial to underline that in no case Ghella, or any other of its subsidiaries, shall use the above-mentioned contributions as a disguised way for bribery and corruption practices or any unlawful purpose. In fact, every sponsorship, charity or donation granted by Ghella must be provided in good faith, and not aimed at improperly gaining any business advantage.

Such contributions shall only be authorised by Ghella's duly appointed functions in charge of managing such relations, as specified by Ghella's applicable procedures and policies.

Moreover, such competent functions shall carefully evaluate each proposal and select the ones to support, avoiding the risk of funds / assets being diverted for the personal use or benefit of a Public Official or a relevant private entity.

In order to adhere to relevant regulations and avoid compliance risks, the recipients of this document and of the Code of Ethics must abide to the following principles and minimum standards related to Contributions, which:

- Have to be made within the boundaries set by the pre-approved budget;
- Have to be targeted to well-known and reliable subjects, in possession of an outstanding reputation related to honesty, transparency and correctness;

- Have to properly follow a pre-determined internal process for approval, which shall include description of the underlining nature and purpose of the contribution, a detailed due diligence of the recipient, as well as a check on whether the contribution can be considered legitimate under applicable laws.

Furthermore, it is necessary to ensure that all money payments are made on the beneficiaries' accounts, and it is absolutely forbidden to make payments in the following ways:

- To numbered accounts;
- In cash;
- To other parties different than the beneficiary;
- In a country other than the beneficiary entity's country;

All payments must be duly recorded in the organisation's books and records. Beneficiaries must commit to do the same on their own books and records.

When supporting specific initiatives and projects, the Company has to ensure that sponsor initiatives must always be aligned with company plans negotiations and carried out, taking all the necessary measures needed to ensure transparency, correctness and traceability.

With reference to sponsorship contracts, Ghella requires the underlying contract to be in a written format. As stated in the Code of Ethics, in every business transaction, all counterparts shall be informed of the existence and of the contents of the code's provisions and are obliged to respect them.

Ghella's competent functions shall ensure (as far as practicable) that, when contracting with third parties, the contractual arrangements include clauses which are aimed both at binding the relevant third party in respect to the company's Code of Ethics and relevant internal documentation, as well as providing for a default mechanism should the relevant party fail to comply with such provisions.

In particular, when drafting the above-mentioned contracts, Ghella shall include appropriate clauses such as its right to terminate the contract and to interrupt payments in case the counterparty breaches any obligation, declaration and warranty referred to above or violates applicable laws or anti-corruption commitments outlined in the contract (without prejudice to any other rights at law that Ghella may have).

Alternatively, when the Third Party's policies or pre-drafted documents (or online agreements) do not allow for the inclusion of such clauses, Ghella's competent functions may require the undersigning of a recipient declarations in which the beneficiary:

- Undertakes not to pay such sums to public officials / private entity for corruption purposes as well as not to ever transfer, directly or indirectly, such amounts to Ghella personnel;
- States that, when signing the contract and during its implementation, it is not holding a public official role (neither do its employees, in case of a company);
- Acknowledges that it is aware of and has received a copy of Ghella's anti-corruption guidelines
- Commits to comply with applicable laws and to Ghella's anti-corruption guidelines;
- Commits to keep records in a correct and transparent way.

Moreover, the contract shall indicate the currency and amount paid, pursuant to the sponsorship contract, as well as the payment methods and conditions (which, as previously stated, has to be made exclusively on the recipient's account, in the country where the recipient is based).

The original documentation related to the approval of the spend and the compliance controls applied as well as the related regulation must be stored in accordance with local applicable laws.

#### 6.1.7. Relations with third parties

Ghella's success relies, among other factors, on the company's ability to seek and maintain good business relations with third parties (i.e., Joint Ventures, consortium partners, agents, advisors, contractors, suppliers / vendors, intermediaries, service providers, consultants and any other third-party performing tasks for or on behalf of the company as well as its clients).

Being aware of the potential risks associated to the numerous relationships with third parties that Ghella entertains, the company encourages third parties to adopt principles, procedures and practices similar to its own. This is because, under many laws and regulations, the company might be considered liable for bribery and corruption committed by some third-party performing services for or on behalf of Ghella or its sub-contractors.

Additionally, the company forbids its organisational units / business areas and employees to enter into agreements related to services as lobbying, facilitating client relationships, relationship management, or any other service that could, potentially, influence decision makers considering any bid for work.

All third parties shall comply with relevant laws and regulations, including any local law and laws that have extraterritorial applicability. Moreover, third parties are asked to acknowledge receipt of Ghella's anti-corruption guidelines and confirm that they have read and understood the guidelines, together with any other relevant internal documentation (local procedures and guidelines), which are published on the relevant web sites (or, in any case, communicated through official communication channels).

It is the responsibility of Ghella / its employees entering into an engagement with a prospective third party to check its integrity, its suitability for the job and its compliance to transparency standards.

When drafting a contract with third parties, Ghella shall include appropriate clauses related to anti-bribery and anti-corruption matters, ensuring the right to suspend / terminate the agreement whenever the third party is known / is suspected to be involved in such practices.

Amounts paid by Ghella shall exclusively represent a fair compensation for legitimate goods / services and must not be used as bribes and / or channelled for corruption purposes.

When selecting third parties, Ghella is required to pick the best option, by assessing the quality of products / services provided against the requested cost (best value for money principle). In addition, third parties are also selected based on:

- Demonstrated implementation of suitable corporate quality systems, if so required;
- Availability of appropriate means and organisational structures;
- Demonstrated compliance with laws on employment, also with respect to child labour, environmental legislation and the implementation of appropriate health and safety systems for corporate workers, if so required.

Ghella shall conduct adequate research and background checks by carrying out specific enquiries before selecting and engaging with any third party. This is in order to verify whether they present reputational risks, especially with reference to bribery and corruption matters.

Despite such verifications will vary based on the nature of the contract / relationship, these will generally assess the following aspects (where applicable):

- The counterparty is reputable, well known and reliable, competent and qualified to perform the work for which it has been selected or to maintain the business relationship for which it has been selected;
- The compensation sought is in line with industry standards and is reasonable and commensurate with the objectives of the contract;
- The underlying deal is compliant with applicable laws and regulations;
- There is no conflict of interest that could, potentially, make the deal improper;
- Any cases (even suspected) of improper behaviour concerning the third party is inspected and appropriately addressed before any deals are made;



- The third party understands and adheres to the principles outlined in this document (and in other relevant local documentation).

Ghella engages in agreements only with reputable third parties who demonstrate full compliance with the applicable laws and competency to fulfil their obligations. Therefore, it is important to closely monitor third parties:

- Over whom Ghella exercises (or will exercise) a degree of ownership or control;
- Who interact with public officials on behalf of Ghella;
- Operating in high-risk markets (for this please refer to the CPI<sup>1</sup> score index).

#### 6.1.7.1. Focus: consultants and service professionals

When selecting a consultant or service professional, Ghella must ensure the decision is made considering the counterparty's professionalism, transparency, honesty, cost-effectiveness and reputation.

In particular, it is required to demonstrate, with supporting documentation, that the consultant / professional meets pre-determined criteria (integrity, reputation, trustworthiness, technical and organisational characteristics, required skills, etc.).

When selecting consultants and service professionals, the third party has to be chosen from a pool of candidates with similar characteristics, unless the engagement necessarily requires the choice of a specific consultant / professional.

In such cases, an adequate explanation for the exception is required and certain criteria have to be met.

In any case, as with any standard contracts, it is necessary to state what services are required by contract and what deliverables are associated to the agreed upon fees.

#### 6.1.7.2. Focus: supplier / vendor

Ghella is aware of the risk of being held liable for actions of its counterparties, especially in relation to corruption events.

For this reason, Ghella requires its suppliers and vendors to comply to its Code of Ethics and to the principles outlined in these guidelines, as well as to its internal procedures and documentation.

All the activities related to the procurement process including, among others, i) supplier / vendor selection, ii) qualification process, iii) contract awarding, iv) post-award contract management and v) contract standard protection clauses, have to comply with relevant laws and regulations, as well as with the provisions outlined by

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<sup>1</sup> Corruption Perceptions Index: <https://www.transparency.org/>

Ghella's procurement procedures and guidelines, which clearly identify roles and responsibilities related to such activities, in compliance with the anti-corruption and ethics principles described in this document.

#### 6.1.7.3. Focus: partners – special purpose companies, joint ventures and consortia

When entering into collaboration agreements with other companies (*partners*), under special-purpose companies, Joint Ventures (JV) agreements or any other forms of association allowed by local laws, all related actions must be undertaken in accordance with Ghella's internal management system. In this way, Ghella protects itself from the risk of being held liable for corruption activities carried out by its partners.

In such context, Ghella is committed to ensure the application of the principles outlined in this document, as well as the implementation of suitable internal control policies, also when entering into forms of association in which Ghella's internal management system is not the one applied.

In more detail, whenever Ghella it is not the leading partner, its representatives acting within whatever form of association is put in place must pay specific attention when selecting and assessing partners, as well as take action to ensure these operate in compliance with the principles described in these guidelines (and any other internal document on anti-corruption matters).

In any case, Ghella ensures all activities carried out in association with other partners comply with the following minimum standards:

- Partners shall only be entities who are well-known, reliable and with an outstanding reputation for correct business practices;
- Internal rules must be implemented so that a documented and appropriate due diligence process is carried out on all partners and on the contractual arrangements for the operations of the special purpose company, JV, etc.;
- The activities of each association and association's leading partner must be regularly monitored: Ghella's representative in the association must promptly inform Ghella's local compliance officer in relation to any investigations or ascertained violation of anti-corruption laws occurred within the association.

All the contracts between Ghella and its partners must be negotiated, stipulated and managed complying with the relevant internal documentation regulating negotiations with third parties.

#### 6.1.8. Human resources – recruitment & employment

Human Resources processes are potentially subject to corruption, since offering employment, internships, promotions and trainings carry an intrinsic monetary value and therefore are potentially vulnerable to corruption actions.

Since Ghella's operations are set on fairness and impartiality, Ghella condemns any type of unethical behaviour in the HR field, which could violate the principles of transparency, objectivity, professionalism and equal opportunities.

For this reason, in accordance with Ghella's Code of Ethics, the evaluation of staff to be employed (i.e. the recruiting process) is carried out by matching the candidates' profiles with the business needs of the company and by applying equal opportunities principles.

The information requested in the selection phase of the recruitment process is strictly related to the verification of professional, psychological and attitudinal aspects listed in the role description, with no reference to personal aspects or opinions of the candidate.

Ghella undertakes to avoid any forms of patronage and nepotism, as well as not to establish any work relationship with individuals involved in crimes such as corruption and bribery.

The relevant Human Resource unit of any Ghella company shall ensure that its own recruiting and employment processes are carried out in compliance with the applicable laws and regulations, as well as in line with Ghella's internal policies and procedures.

Whenever selecting, employing, promoting and/or carrying any other Human Resources related action related to a third party (e.g. a business partner, customer, or any other third party associated with the company) or to a Public Official or any person associated to a Public Official, Ghella must make sure that such action is carried out strictly:

- On a process exclusively based on merit;
- Where applicable, through a competitive process which has to be duly documented, ensuring that the specific action has not taken place on the request of the above-mentioned third party or public official;
- In the absence of any conflict of interest (whether direct or indirect);
- In the absence of any previous criminal records or ongoing criminal proceedings.

#### 6.1.9. M&A and other extraordinary transactions

Ghella's extraordinary transactions (such as M&A, JVs, disposals, etc.) must provide for a proper verification of the involved counterparties (and their representatives), aimed at obtaining detailed and reliable information related to their identity, reliability, reputation and potential pending proceedings / convictions for corruption matters.

Whenever dealing with such transactions, an important aspect to focus on is the underlying due diligence, which can be:

- External: relevant in the case of acquisitions, both on the potential vendor and on the target;

- Internal: relevant in the case of disposals.

In particular, whenever any of the above-mentioned transactions occur, the relevant organisational units / business areas, supported by consultants (if employed), must conduct adequate assessments aimed at identifying key risk factors and red flags.

This assessment is also relevant to the potential drafting of anti-corruption information that can be requested by potential counterparties, as well as to the drafting of any anti-corruption warranties to be included in the agreements related to such transactions.

In order not to be deemed liable after the operation has concluded (see “successor liability”<sup>2</sup>), the following actions are required:

- Conduct a preliminary assessment and an anti-corruption due diligence process, aimed at gathering reliable information on the counterparty’s structure and corruption risks, including a detailed audit on the third party’s compliance program (where applicable);
- Structure a transposition plan for the post-operation, since the counterparty is required to adopt and align to this document and any other company’s documentation on this matter.

#### 6.1.10. Record keeping

Ghella is committed to maintain its longstanding compliance record, including financial reporting and taxation matters. In such context, every transaction, once authorised, verified and deemed consistent, is duly recorded in the relevant accounting system, in accordance with applicable laws and accounting principles.

In line with Ghella’s Code of Ethics, each accounting record shall reflect the exact information set out in the supporting documentation and be in line with Ghella’s reporting policies and procedures.

More specifically, each amount (inbound and outbound) has to be recorded promptly into the financial information, ensuring correctness and completeness. For this to be feasible, involved individuals have to ensure the traceability of transactions by adequately storing relevant documentation. This allows to:

- Ensure accuracy in bookkeeping activities;
- Simultaneously identify the reasons for and the nature of the transaction;
- Verify the legitimacy of the authorisation and implementation process.

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<sup>2</sup> Anti-corruption laws specify that companies can be deemed liable not only for their illegal business, but also for illegal actions undertaken by target companies before a merger is concluded.

Although financial officers and other individuals working around bookkeeping activities are the main responsible process owners of bookkeeping and thus are responsible for records accuracy, it is important to stress that all employees are expected to cooperate in ensuring that financial and management reports are truthful, accurate, consistent, complete and understandable and that they are drafted in accordance with applicable laws, accounting principles and internal regulations.

## 7. REPORTING FOR EMPLOYEES: HOW TO REPORT A BREACH

Ghella is committed to promote transparent and honest communication among its workforce and partners, with the aim of creating a common ground for mutual respect and compliance with laws and regulations.

Anybody who is willing to report a potential violation to the principles contained in this document or an infringement to applicable laws, should report them to the relevant regional compliance managers using the available reporting channels as described in Ghella's Whistleblowing procedure.

Ghella ensures that employees who decide to report a breach ("whistleblowers") will not have to deal with any reprisal nor retaliatory action, since Ghella is committed to protect and value such actions, which are duly followed up through investigations and corrective actions.

Furthermore, Ghella ensures that all reports will be treated confidentially to guarantee the safeguard of whistleblowers.

Every report shall be individually addressed and investigated by the company. The responsible compliance manager shall investigate all circumstances and facts regarding the reported breach and shall make a written report which shall be treated as confidential by the company. Any investigation can only be closed or deemed satisfied when the compliance manager has delivered a written specific report to the Board / Executive Management of the company.

## 8. SANCTIONS SYSTEM

Ghella is committed to implementing all reasonable controls to prevent any conduct that might violate applicable laws or these guidelines, as well as to applying the relative sanctions to its employees where appropriate.

The same applies to trade and financial partners, main suppliers, contractors and operators, which are required by Ghella to act in a manner consistent with the principles of the present guidelines and in compliance with applicable laws.

Violation of the provisions contained in the present document constitutes a disciplinary offence and as such it may be sanctioned in proportion to the seriousness of the infringement or of the accomplished fact.

Accordingly, Ghella will take adequate measures in line with the collective labour agreement in force and other national applicable standards to all employees:

- Whose actions are deemed to have violated the Anti-Corruption laws or the present guidelines;

- Who do not promptly collaborate with appropriate Ethics and Compliance internal investigations
- Who do not participate or complete adequate training
- Who unreasonably fail to detect or fail to report such violations or
- Who threaten or retaliate against others who report such violations.

Disciplinary actions may include termination of employment.

In case of external contractors, suppliers and all those who cooperate with Ghella (third parties), violation of the present document shall be dealt according to the specific contractual provisions. Such provisions include appropriate measures such as, but not limited to, contract termination and claim for damages against the third party whose actions are found to infringe applicable laws or internal anti-corruption documentation.

## 9. IMPLEMENTATION AND MONITORING

Ghella commits to ensuring full compliance to laws and regulations and to the best practices described in this document.

For this reason, the company not only monitors the implementation of its Global Anti-corruption Guidelines within its activities, but it actively promotes its underlying principles among its affiliates and relevant third parties.

To this end, internal processes aimed at implementing and monitoring the activities described in this document are defined in specific sections of relevant local procedures. Such sections formally regulate, among others, the criteria to be used to identify the activities to be monitored, the roles or process owners in charge of carrying out such monitoring activities, the flows of information and reporting related to the monitoring activities carried out.

## 10. COMMUNICATION AND TRAINING

The present document shall be circulated to internal and external stakeholders through specific communication initiatives.

Ghella guarantees that training initiatives will be recurrently and periodically carried out in order to ensure that the Guidelines are properly understood by all its workforce (including, but not limited to, e-learning training modules).

The main objective of training initiatives is to provide Ghella's workforce with: i) adequate knowledge of the various crimes, risks, relevant personal and corporate responsibilities related to such matters, as well as ii) guidelines that describe the actions to be taken to fight bribery and corruption, and iii) encouragement, support and knowledge on how to report any potential breach of these guidelines, the Code of Ethics or the applicable laws.

Training is mandatory for all Ghella personnel (in line with the relevant Training Plans outlined by each Legal entity).

## 11. GLOSSARY

**ANTI-CORRUPTION LAWS AND BEST PRACTICE:** includes the anti-corruption clauses in the Italian Criminal Code and in other national applicable laws, including the Italian Legislative Decree no. 231/2001, the FCPA, the UK Bribery Act, as well as other public and commercial anti-bribery laws in force around the world, and international anti-corruption treaties such as the Organisation for Economic Cooperation and the Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the United Nations Convention against Corruption;

**CODE OF ETHICS:** Code of Ethics and Conduct of Ghella, adopted by all Ghella's subsidiaries / affiliates;

**FCPA:** the U.S. Foreign Corrupt Practices Act of 1977 and subsequent amendments and integrations;

**FOUR EYES PRINCIPLE:** The four-eyes principle means that a certain activity (i.e. a decision, transaction, etc.) must be approved by at least two people;

**GHELLA'S MANAGEMENT SYSTEM:** Ghella's internal set of procedures, policies and guidelines (any internal documentation);

**LEGISLATIVE DECREE N°. 231/2001:** the Italian Legislative Decree 8 June 2001, no. 231, and subsequent amendments and integrations;

**PUBLIC OFFICIAL:** any person holding a public legislative, judicial or administrative role and / or acting in an official capacity for or on behalf of a national, regional or local public administration, of an agency or a department of public administration. Furthermore, the definition includes the case of a company owned, controlled or invested by a national or foreign public administration, an international public organisation or a political party, a member of a political party or a candidate for a national or foreign political office. Lastly, anyone performing a public service for whatever reason, where public service means an activity that is governed in the same way as a public function, except that the power vested in the latter is absent.

Pursuant to main international anticorruption laws, the representatives of local communities are treated as public officials;

**RELEVANT PRIVATE ENTITIES:** companies, consortia, foundations, associations and other private entities, engaged in activities whose execution or non-execution can cause advantages / can represent an interest for Ghella companies;



**SUBSIDIARY:** any company directly or indirectly controlled by Ghella, in Italy and abroad;

**THIRD PARTIES:** organisations or individuals who represent Ghella and act on Ghella's behalf in either the private or public sector. Examples include agents, consultants, independent contractors, partners, suppliers, joint ventures, sales representatives, etc.

**UK BRIBERY ACT:** the UK Bribery Act 2010 (and all secondary associated legislation) and subsequent amendments and integrations.