ETHICAL CODE

VALSIR®
QUALITY FOR PLUMBING
“FIGURES ARE IMPORTANT BUT VALUES ARE WHAT MATTER MOST.”

Silvestro Niboli
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1. FOREWORD

The aim of this document is to be the main reference tool for the promotion, dissemination and management of work and business ethics within the company.

The Ethical Code of Valsir S.p.A. arises within the path of social responsibility and from the growing attention to the principles for a correct and efficient company management. The introduction of ethics in corporate processes is considered strategic for the development of corporate quality and competitiveness.

The Ethical Code defines the set of values, principles and lines of conduct that Valsir recognises, accepts and shares in the conduct of corporate activities and that must inspire all stakeholders in their work activities. The ethical principles set out in the Code must guide both collective and individual behaviour, applied in compliance with the laws and moral values. The goal of the Ethical Code is to promote unambiguous guidelines of conduct to improve corporate efficiency in internal and external relationships (customers, agents, suppliers, institutions, collaborators), enhancing their functioning and reputation with consequent benefits, including economic ones.

1.1 What is the Ethical Code

The Ethical Code is an official document related to Corporate Social Responsibility for the promotion of good conduct practices.

The adoption of ethical values and principles is an essential element of the preventive control system, promoting and developing good behaviour.

The Ethical Code contains the set of rights, duties and responsibilities of the Company towards its stakeholders.

The Code supplements the laws or contractual rules and requires compliance with the applicable regulations. Each stakeholder must commit to comply with the laws and regulations in force in all the countries in which Valsir operates.

The Ethical Code is a document desired and approved by the top management of the Company and is distributed in cascade to the entire corporate organisation.

The behaviour of the people that make up the organisation transmits its image to the outside, therefore there is a direct relationship between compliance with the rules, authoritativeness, reliability and success of the company.

The Ethical Code also helps all collaborators to behave in accordance with correct ethical principles, setting reference standards and rules of conduct that must characterise the decision-making processes of the Company and guide its behaviour.
2. VISION, MISSION AND ETHICAL VALUES

The guidelines that Valsir intends to maintain in order to achieve its strategic objectives.

2.1 Vision
Valsir’s vision is to be a model of industrial, technical and sustainable efficiency, with products that are benchmark for the market and solutions that improve people’s living standards.

2.2 Mission
Valsir’s mission is to excel in the creation of innovative, environmentally sustainable and quality solutions by guaranteeing a meticulous and prompt service. Boasting deep roots within our territory and a strong commitment to internationalization, we adopt processes that are respectful of both people and the environment.

2.3 Values

Passion: our region teaches and conveys a passion for work, which gives us the energy and motivation to meet the challenges posed by the market.

Work: tenacity, dedication and pragmatism are the qualities that distinguish our work ethics and have guaranteed our business continuity over time.

People: team spirit and opportunities for growth generate a sense of belonging and involvement. Everyone’s contribution is important.

Reliability: clarity, honesty and transparency are the guidelines upon which our external relations are based.

Innovation: the continuous improvement of our products and processes allows us to promptly respond to the market’s demands.

Environmental sustainability: we are continuously investing in waste reduction, energy efficiency, renewable energy, and resource recovery.

Dynamism: our daily operations require flexibility, speed, versatility, and the ability to use change as an opportunity.
3. ADDRESSEES

The addressees of the Code are all those who, in several respects and with different responsibilities, participate in the achievement of the objectives of Valsir S.p.A. (hereinafter also referred to as Valsir or the Company) through a relationship of trust, whatever the relationship that binds them. The addressees of the Code are required to know its content and to contribute to its implementation and improvement. Any conduct that does not comply with the principles set out herein is equivalent to a breach of the pact of trust and must therefore be detected and reported to the Ethical Committee.

Valsir requires all stakeholders acting within the company to maintain a conduct in line with the general principles of this Code, also disseminating its content to those with whom they come into contact.

4. GENERAL PRINCIPLES AND ORIENTATIONS

4.1 Respect

Valsir commits itself to comply with all national and international laws and directives and generally accepted practices, and also bases its decisions and conduct on this Code.

At the heart of Valsir’s values is the respect for the individual, and this results in the commitment to establishing a relationship of trust with all stakeholders, committing itself to faithfully and effectively achieve corporate objectives with the awareness of its tasks and responsibilities.

Valsir also believes that the respect for the territory and the community in which it is located is essential, paying particular attention to the well-being of future generations.

4.2 Confidentiality

Valsir ensures the confidentiality of the information in its possession, except in cases of express and informed authorisation in compliance with current regulations, and guarantees a processing of personal data inspired by the utmost respect for the dignity of the person concerned.

The information acquired from employees and collaborators belongs to Valsir and cannot be used, communicated or disseminated for purposes not related with the performance of its activities.
4.3 Transparency and truthfulness
For Valsir, transparency means adopting management tools aimed at dialogue with the purpose of responding to expectations of knowledge of the economic, social and environmental impacts of corporate activities, so that each stakeholder can make informed decisions.
Towards the external stakeholders, the Company commits itself to achieving and maintaining the best international certifications and implementing social and environmental reporting initiatives, with the aim of providing information on the actions carried out at all corporate levels in an accurate, complete and understandable manner.
All actions, operations, transactions and, in general, the conduct of employees and collaborators with regard to the activities carried out in the performance of the functions within their duties and responsibilities must be based on the criteria of truthfulness combined with that of transparency and honesty.

4.4 Honesty
Honesty is the fundamental principle for all the activities carried out by Valsir and is an essential value in organisational management.
Relationships with stakeholders must be based on criteria and behaviours of fairness, cooperation, loyalty and mutual respect; the pursuit of the Company's interests does not justify any action that does not comply with the values set out in this document.
Valsir and its collaborators commit themselves to constantly complying with the laws, this Code and the company regulations that are consistent with it.

4.5 Confidence and fair competition
Valsir promotes the creation of a climate of confidence in internal and external relationships between the parties. When conducting business on the market, situations in which the persons involved are or may appear to be in conflict of interest with Valsir, or any case in which a collaborator pursues an interest other than the corporate mission or takes personal advantage from corporate business opportunities, must be avoided.
Valsir intends to protect the value of fair competition in full compliance with the relevant regulations of the countries in which it operates by refraining from collusive and predatory behaviour and abuse of a dominant position.

4.6 Impartiality and equal opportunities
Valsir avoids any discrimination based on age, gender, health, race, nationality, political opinions and religious beliefs of its stakeholders.
Valsir defines the relationships with its collaborators on the principle of fairness, committing itself to enhancing their experience and developing their skills, also promoting cooperation and exchange of knowledge.
Workers are valued on the basis of the process of recognition of merit, rewarding behaviour consistent with the principles and ethical values expressed in this document.
4.7 Importance of communication and collaboration

Valsir recognises the value of communication among all those involved in the company’s activities as an essential factor for sharing and exchanging skills and increasing the sense of belonging to the Company. This value is also pursued in respect of the external stakeholders, with which a relationship aimed at dialogue and mutual listening is established. Valsir recognises the fundamental value of collaboration between human resources and the various company structures, committing itself to encouraging the development of the team spirit based on the attention to customer needs and to the interests of the company.

4.8 Focus on quality

Valsir, with the commitment and involvement of all its staff, addresses its activities towards high quality standards, constantly monitoring the performance indicators of its processes in order to ensure the required level of standards, pursuing a policy of continuous improvement. Valsir believes that the contribution of each collaborator in his/her individuality and as part of a team is an essential element for the development of the company and the enhancement of people. For this reason, contracts and assignments imply the commitment of collaborators to the best performance of work processes and their improvement, using all the skills available and through participation in training programmes developed for all levels, aiming at promoting the growth of professionalism.

4.9 Employment protection

Valsir commits itself not to make use, even indirectly, of both forced and compulsory labour and child labour and rejects any form of discrimination in hiring policies and human resource management. Valsir commits itself to preventing any form of mobbing and exploitation of labour, both directly and indirectly, and to recognise the essential criteria for remuneration and career development in terms of work performance and professional potential.

4.10 Protection of health and safety

Valsir believes that the development of an active prevention culture, in accordance with the current legislation on prevention and protection and thanks to the ongoing search for well-being in the workplace, can help to limit accidents and consequently allow their reduction. Valsir guarantees working conditions that respect the dignity of the individual and the improvement of workstations and operating spaces in the departments is a particularly important aspect from the point of view of health and safety. Valsir also encourages its collaborators to participate in the process of risk prevention and protection of health and safety with the aim of increasing their awareness about the importance of reporting information aimed at preventing any risks.
4.11 Protection of environment and sustainable development

Valsir, aware that production activity has an environmental impact, plans the development of its activities by promoting the use of natural resources with constant attention to preserving the environment, and is inspired by the utmost respect for the environment inside and outside the plants, to protect all the stakeholders.

Valsir contributes to the dissemination and awareness of sustainable development among all collaborators and manages its activities in an environmentally compatible manner, taking into account the rights of future generations. The environmental policy is carried out starting from simple behaviours up to the continuous improvement of technologies and production practices, in order to achieve compliance with the regulations in force in the different national states in which the company operates and adopt the best technological solutions.
5. RELATIONSHIPS WITH EMPLOYEES & COLLABORATORS

Human resources are an essential element for the corporate development and success. The professionalism and commitment of employees are key values for the achievement of Valsir’s objectives which, therefore, rewards the skills and results achieved by each employee, when the rules are shared and respected. For this reason, the company protects and promotes the value of people in order to improve and increase the assets and competitiveness of the skills of each employee.

5.1 Protection of the individual

The Group commits itself to ensuring compliance with the conditions required for the existence of a collaborative and non-hostile work environment and to preventing any form of discrimination, whether related to physical condition, disability, opinions, nationality, religion, sex, sexual orientation and gender identity, or any other condition that may give rise to discrimination. Differences which can be justified on the basis of objective criteria do not constitute discrimination. If discriminatory acts should occur, the collaborators must notify their Manager and the Human Resources Manager. Valsir requires the cooperation of all collaborators to adopt an attitude based on the protection of human dignity, collaboration and human solidarity, helping to create a work environment in which each individual is treated as a colleague and member of a team.

With due respect for the privacy of its employees and collaborators, the company commits itself to identifying modes to pay attention to their needs, especially in difficult situations that may prevent the normal performance of work.

In order to develop risk awareness and promote responsible behaviour, Valsir commits itself to spreading and consolidating the safety culture among its employees and collaborators, by adopting health management systems and defining specific objectives and improvement programmes aimed at minimising accidents and occupational diseases.
5.2 Staff Recruitment and Selection
Staff selection is carried out by checking the full compliance of the applicants’ profiles with respect to a substantial adherence to the professional profiles required by the company, pursuing a policy of awareness in terms of equal opportunities for all the persons involved.
Staff is asked to provide information that is exclusively used to verify professional and working requirements, with due respect for its privacy. The recruitment of personnel takes place on the basis of regular employment contracts.

When the employment relationship is entered into, each employee receives accurate information on:
- characteristics of the function and role to play;
- regulatory and remuneration elements;
- content of the Company Regulations;
- content of the Ethical Code.

The above information is provided to the employee/collaborator to ensure its actual understanding.

5.3 Training
Valsir, through constant and specific training activities, commits itself to developing the skills and expertise of each employee in order to allow him/her to achieve his/her full potential, combining the company’s growth needs with the training needs expressed and providing the appropriate tools for professional refresher and development.

5.4 Involvement of employees and collaborators
Valsir, starting from the managers, promotes a work environment based on the information and involvement of its employees, in particular:
- clearly defines corporate roles and duties;
- encourages contribution to innovation and problem solving through “improvement ideas” and department meetings;
- organizes periodic meetings to share corporate objectives between area managers and their collaborators;
- develops suitable corporate communication tools;
- periodically conducts surveys on the corporate climate and works to improve it constantly.
5.5 Corporate assets and resources
Each collaborator is required to work diligently and efficiently to protect and enhance corporate assets and ensure that their use is consistent with the interests of the Company. Employees and collaborators must take care of corporate assets, whether tangible or intangible, protecting them and preventing their fraudulent use or misuse for their own benefit or that of third parties.
The use of corporate resources by employees must be limited to Valsir’s needs according to the role assigned to them; personal use is possible only in the cases previously agreed upon.

5.6 Use of IT systems
Each employee is responsible for the security of the IT systems used and is subject to the legal provisions in force, as well as the conditions of the license agreements.
Workers may use the services of the IT infrastructure (e-mails, Internet, etc.) in compliance with the provisions of the corporate policy in order not to compromise its functionality and protection, avoiding the behaviours set out below:
• sending contradictory and ambiguous email messages;
• using insulting or offensive language;
• having inappropriate behaviour that may cause offence to the person and/or detriment to corporate image;
• surfing the websites with improper and/or offensive content;
• posting or interacting with social content not related to the company membership.

All collaborators are required to make every effort to prevent the possibility of committing offences when using IT tools and to comply with the social media policy.

5.7 Confidentiality and management of information
Valsir guarantees the protection of personal data of each of its collaborators; the acquisition, processing and storage of personal information takes place according to specific procedures to ensure full compliance with the regulations on privacy protection.
Collaborators are required to keep confidential the information they obtained in the course of their duties in accordance with the requirements of the privacy regulations in force.
This obligation of confidentiality must be observed even after the termination of the employment relationship. Depending on his/her level of responsibility, each collaborator is required to protect the integrity, confidentiality and access to the company documents for which he/she is responsible.
5.8 Protection of corporate image and reputation

Each Valsir collaborator, in the performance of his/her duties, must pursue and protect the reference values set out in this Ethical Code by being inspired by a conduct aimed at moral integrity, transparency, honesty and good faith, and taking into account the evolution of social context, technology and new tools available.

Valsir believes that respect for the reference values that have always characterised its entrepreneurship is extremely important and, aware that the use of Social Media has become an important tool of global communication, considers necessary that all collaborators comply with the Social Media Policy, respecting the basic rules of conduct to be observed when using and publishing contents and comments.

5.9 Conflict of interest

Employees and collaborators are required to avoid situations in which conflicts of interest may arise and to refrain from taking personal advantage of the position, information and discretion of which they have become aware in the performance of their duties.

All employees and collaborators are obliged to report any potential situations of conflict of interest in which they may be involved to their direct superiors, even in the event of involvement of independent third parties such as consultants, agents, suppliers, distributors and collaborators in general.

5.10 Gifts, presents and other benefits

Valsir avoids giving and receiving gifts that could be interpreted as exceeding normal courtesy practices. Moreover, employees cannot offer gifts or other benefits to any person from which they may receive preferential treatment in the conduct of any activity related to the company.

5.11 Respect for corporate choices

Each collaborator is required to respect the principles set out in the Code and, without prejudice to the freedom of opinion with respect to the choices made by the Company, the conduct of employees and collaborators must safeguard Valsir reputation.
6. STAKEHOLDER RELATIONS

6.1 Customer relations

The relation between Valsir and its customers, i.e. anyone who uses the products or services of the company in any way, is characterised on the one hand by availability, respect, participation and transparency of behaviour to increasingly consolidate the relationship of confidence, on the other hand by confidentiality, professionalism and quality of services to protect the interests of the customer.

In providing its services, Valsir guarantees fair treatment between customers, both actual and potential.

Recognising the value of listening and dialogue, Valsir establishes and promotes tools and channels aimed at ensuring that customers receive timely and quality information and communication, in order to increase the level of mutual collaboration and thus improve the quality of the relationship. The goal of Valsir is to satisfy and protect its customers by ensuring fairness in contracts and business relations and by listening to the requests that can help improve the quality of products and services.

6.2 Supplier relations

Suppliers are people and companies that, in several respects, individually or as part of a chain, provide goods, services and resources necessary to carry out the activities and provide the services, helping to build the corporate image and reputation and contributing to the achievement of the objectives. All of them are required to adopt the goals and principles of this Code, therefore the quality of the relationship with the company also depends on their ethical behaviour. Valsir’s conduct towards its suppliers is based on the search for quality, cost-effectiveness, sustainability and the recognition of equal opportunities.

Valsir commits itself to developing relations with suppliers based on communication and the mutual exchange of skills and information in order to facilitate the creation of shared value. The declaration of knowledge of this Code by suppliers is a prerequisite for contracting. Suppliers commit themselves to providing information on their social and environmental policies and their outcomes in relation to the assignments received. Valsir, on the other hand, makes sure that the requirements of these companies meet those required by corporate procedures and qualification systems within the limits of the contract.
6.3 Consultant relations
When the services of a consultant are used, Valsir commits itself to selecting the profile most suitable for the corporate needs which, for his/her professional expertise, is able to provide the required services in the best possible way.
The services of the consultant must be provided in a transparent way, so that the company can verify the services actually provided. The consultant is also bound by the confidentiality obligation in order to protect the corporate know-how shared in various ways.
The indications and advice provided by the consultant must always be based on compliance with corporate objectives and policies, as well as on the content of the Ethical Code. Services must be paid on the basis of a detailed report of the activities carried out and the remuneration must be agreed in advance and detailed in a contract.

6.4 Agent relations
Valsir is committed to maintaining a relation of fairness and collaboration with its business partners, aimed at pursuing mutual satisfaction, although within the scope of their respective economic interests.
The selection and management of business partners are carried out according to specific procedures based on objective elements and equal opportunities.
Relations can only be established with partners inspired by ethical principles similar to those set out in this Code, in particular to the values and limitations contained in this document.

6.5 Market and competitor relations
Competitors are considered the main incentive for continuous improvement of performance, the positive challenge of the competition is faced with the principles of loyalty, legality and fairness.
Valsir refrains from any conduct that may be detrimental to the market or that may represent an abuse of position.
Employees, in their communication and correspondence with competitors, must ensure they do not share and disclose any information that could enable conclusions to be drawn about the current or future behaviour of the market by Valsir or other competitors.
Valsir is motivated by a strong and fair competitive spirit, in the belief that fair competition improves the functioning of the market for the end customer.
6.6 Relations with institutions and public administrations

Valsir is committed to collaborating with the bodies of the Public Administration and, in general, with the Public Institutions, providing the national and local authorities responsible for the control and regulation of the services with all the information requested in a clear, complete, correct and timely manner.

In full compliance with the law, Valsir develops relations of collaboration and communication with the institutions concerning:

- regulatory and administrative operations on corporate activities;
- environmental protection;
- risk prevention.

In protecting their interests, directors, employees and collaborators act with integrity towards national and international Public Institutions, with transparent and respectful behaviour towards their public counterpart. Valsir is committed to making tax payments to the competent Authorities in accordance with the law, and to provide tax returns that are true and do not contain false, deceptive or incomplete data.

Valsir provides its expertise and is committed to cooperating with institutions and representatives to have regulations aimed at territorial well-being, ensuring the sustainability of the businesses managed.

During relations with the Public Administration, the following actions must not be (directly or indirectly) taken:

- proposing employment and/or business opportunities and seeking or establishing personal relations to obtain favours, influence, interference with the aim of influencing, directly or indirectly, the activities of the Public Administration;
- offering or providing in any way money or other benefits to the public official involved, his/her family members or any person associated with him/her;
- soliciting confidential information that may compromise the integrity or reputation of both parties;
- receiving favours, gifts or other benefits from representatives of the Public Administration at any level.
6.7 Relations with the territory and the communities

Valsir pursues its objectives while respecting and protecting the environment. For this purpose, it is committed to adopting certified environmental management systems, which aim at continuous improvement of performance according to international standards in order to work for the prevention of environmental risks.

The Company, following the evolution of environmental regulations, defines specific improvement programmes aimed at minimising environmental impacts and at sustainable industrial development, also promoting in-house environmental awareness and training activities and encouraging the spread of eco-efficient technologies.

Valsir, aware that respect for the environment is a competitive advantage in an increasingly sensitive and demanding market, is committed to paying attention to the life of the community in which it operates and to listening to the requests from it through a constructive dialogue aimed at collaboration with citizens, supporting the development of their positive behaviour.

The company actualises its attention to the territory, with special attention to the communities located near its - current and future - plants, by implementing information, listening and involvement initiatives aimed at supporting the quality of life through social activities with ethical value compatible with corporate values. Valsir also organises information, educational and tutorial initiatives concerning respect for the environment and efficient management of resources according to the principles of the circular economy.

When supporting social and cultural initiatives and sponsorships in general, Valsir only considers initiatives that are consistent with its strategic objectives and the principles of environmental and social responsibility and focuses on initiatives that ensure quality, distinguishing themselves for the ethical message conveyed. Valsir is committed to reporting every two years the results of its commitment to all stakeholders through the publication of the sustainability Report, containing, inter alia, the environmental and social impact of its activities through the use of internationally recognised indicators.

6.8 Gifts, presents and benefits

Valsir avoids any behaviour that may be interpreted as a promise or offer of payments, goods or other benefits of any kind that may be interpreted as exceeding normal business courtesy practices, in order to promote and favour its own interests and deriving benefits from them.

Gifts and acts of courtesy are permitted only if of modest value or in any case such as not to compromise corporate reputation.

Employees may not accept gifts or other benefits whose nature may be perceived as a way of influencing the impartiality and integrity of their decisions or interpreted as a way to receive unjustified favours.

Valsir does not provide contributions of any kind to political parties and refrains from any form of pressure on public representatives; illegal amounts of money and bribes are prohibited under all circumstances, regardless of the amount. Gifts and benefits offered that are not in line with ethical principles must be reported to the relevant Manager and to the Ethical Committee, to allow an adequate assessment and, if necessary, return or donate them to charity in accordance with the relevant specific corporate regulations.
7. IMPLEMENTATION OF THE CODE

7.1 Adoption and validity of the Ethical Code

This Ethical Code was adopted on 21/06/2019 with immediate effect. Any update to this Ethical Code must be approved in advance by the General Management, any changes are a guarantee of its effectiveness and its compliance with changes and developments in the context from which it is inspired.

7.2 Adoption and monitoring of the Ethical Code

The application of and compliance with the Code are monitored by the Ethical Committee, which must also assess the effectiveness of management and internal control tools with regard to the implementation of the principles of the Code, in accordance with the CSR body. Any breach of this Code may be reported to the Committee, which commits itself to ensuring the secrecy of the reporter identity, without prejudice to legal obligations. The Committee analyses and assesses the reports of non-compliance and the adoption of any sanctioning measures inspired, where there is no fraudulent behaviour or behaviour implemented in breach of specific legal, contractual or regulatory provisions, by a constructive approach that consolidates the sensitivity and attention of individuals to the respect of the values and principles stated in the Ethical Code, without prejudice to the possibility that criminal proceedings may be carried out in the cases where an offence occurs.

7.3 Breach of the Code and sanction system

Compliance with the provisions of the Ethical Code must be considered a substantial part of the contractual obligations with Valsir. Breach and non-application, even partial, of the Code results in breach of contract and ethical disciplinary offence, with the consequent adoption of proportionate measures in relation to the seriousness or recidivism or the degree of conduct that, in compliance with the contractual provisions, may result in a claim for compensation for the damages suffered, both material and to the Company image. The breach of all or part of the Ethical Code by the stakeholders will be a sufficient reason for the termination of the collaboration with Valsir, in compliance with the contract and the law.
7.4 Code content promotion

Valsir is committed to disseminating and promoting knowledge, understanding and implementation of the Code at all levels of the organisation by offering training, information and awareness initiatives to employees and collaborators on the purposes and contents of the Code, after checking its consistency with the company rules. These actions will be coordinated by the CSR manager, who can use internal and external expertise to carry out his/her tasks, and is also committed to drawing up an annual report on the application of the Code by Valsir and to reporting periodically on his/her activities and the results of the company commitment to all stakeholders.