



CARLO GAVAZZI

# Code of Conduct

December 2023

## MESSAGE FROM THE CEO

Carlo Gavazzi is committed to respecting high standards for all our activities to enforce and promote best practices to conduct business globally, in a manner that is fair, honest, and responsible.

As we continue to grow and expand our business across diverse regions and cultures, we all face possible challenges to align our moral principles that guide our behavior and decision making.

Our core values People, Trust and Partnership provide us with the strong foundation we need to act ethically and this Code of Conduct ("the Code") provides a consistent guideline on how we work with our clients, with each other, and with our business partners and communities.

The Code acts as a compass, helping you to make the right choices when necessary and providing you with a way forward when handling difficult situations. It gives you a clear statement of the values and professional standards that we expect all our employees to uphold as we work to achieve our mission.

We sometimes face legal and ethical dilemmas at work and need to find appropriate solutions that strengthen and maintain our reputation for honesty, integrity and respect for the law.

Our commitment to the Code will ensure that together we maintain a culture based on trust and truthfulness.

By adhering to the Code, we agree to comply with its guidelines; take responsibility for all business actions; report any violations and contest any action that may undermine the principles.

I expect all employees to be committed to the highest standards of business conduct and to act with complete integrity and in line with the Code. You can be sure that all members of the Board of Directors and the corporate management team have made the same commitment.

If in doubt, seek advice and we will ensure that together we do the right thing as a successful and sustainable company.



Jean Marc Théolier  
CEO of the Group

# CODE OF CONDUCT

## BACKGROUND

Carlo Gavazzi is an international group active in designing, manufacturing and marketing electronic equipment targeted at the global markets of industrial and building automation.

Our objectives are to provide our customers with technologically innovative, high quality and competitive solutions consistent with their requirements and expectations.

## 1. SCOPE AND IMPLEMENTATION - THE PRINCIPLES

Our Code of Conduct applies to all employees and all our suppliers and other business partners.

Carlo Gavazzi's Code of Conduct applies globally to all our employees, managers, officers, directors, consultants, casual workers, and volunteers. It also applies to Carlo Gavazzi's wholly owned affiliates and subsidiaries as well as all employees of any joint venture or other entity in which Carlo Gavazzi has majority ownership interest or exercises effective control.

We expect our business partners to adhere to ethical standards in line with our Code of Conduct – for our suppliers – our Supplier Code of Conduct. In relevant entities where Carlo Gavazzi does not own a majority share or otherwise exercise control, we expect business partners to adopt the Carlo Gavazzi Code of Conduct (if there is no similar Code of Conduct already established), and to have in place robust integrity-related terms and conditions to govern the ethical standards that we expect of each other for the duration of our business relationship.

We are committed to holding each other accountable for our actions. Carlo Gavazzi leaders have a special responsibility to lead by example, to anticipate and take action to mitigate risks, and to ensure that integrity is a defining characteristic of our organizational culture. Carlo Gavazzi employees have an obligation to read, understand and adhere to the Code of Conduct and, by doing so, contribute to making the Carlo Gavazzi a better workplace for everyone.

To ensure that employees and other stakeholders feel free to raise concerns about potential violations, the Code of Conduct contains a commitment against retaliation.



## **Compliance with laws**

The Code of Conduct does not replace legislation and Carlo Gavazzi must always comply with all legal requirements and applicable regulations in the countries in which we operate.

The same requirements apply to our business partners. If there is a conflict between the Code of Conduct and the law, the law shall prevail. However, if the Code of Conduct sets a higher standard than existing legislation, the Code of Conduct shall apply.

## **Implementation and compliance monitoring**

Carlo Gavazzi CEO has the overall responsibility for implementation and compliance with the Code of Conduct. The country managers are responsible for implementation and compliance in each country and segment.

It is up to each employee to ensure that they understand and comply with the content of the Code of Conduct and related documents. Managers are also responsible for ensuring that each employee is updated on current policies.

## **Supplier monitoring**

By approving Carlo Gavazzi's Code of Conduct a supplier ensures to comply with all applicable parts.

The supplier is responsible for ensuring that their sub-suppliers comply with this Code of Conduct. The supplier also grants Carlo Gavazzi the right to verify compliance with this Code of Conduct by means of different types of on-site inspections or other measures.

Any suspected breach of Carlo Gavazzi's Code of Conduct will lead to immediate measures. Suppliers who sign an agreement with Carlo Gavazzi are responsible for implementing and monitoring compliance with the Code of Conduct in all applicable parts.

Further principles and standards for the suppliers are set forth in the Carlo Gavazzi Supplier Code of Conduct.



## **2. BUSINESS ETHICS**

Carlo Gavazzi believes that high ethical standards in its business operations are essential for its success, a means of promoting its image, and a key asset of the organization. Ethical conduct and good business practices are crucial to our development and profitability. We shall convince our business partners only with commercial arguments. Our goal is to develop long-term, stable business relationships.

### **Fair competition**

Carlo Gavazzi commits unreservedly to the principle of free competition and to strictly comply with all applicable domestic and international antitrust and competition laws.

We never enter into contracts or agreements with a competitor regarding pricing, discounts, promotions, tendering, sales terms or sales territory. We do not exchange sensitive market information with our competitors, either directly or through trade associations, suppliers or customers.

### **Bribery**

Bribery, corruption and any other form of corrupt conduct and abuse of power for personal or commercial gain are strictly prohibited.

Neither Carlo Gavazzi nor any company or person acting on behalf of Carlo Gavazzi may directly or indirectly grant, offer or facilitate payments, gifts or other benefits nor do we request or accept, anything of value (e.g. as a gift or other benefit) that may affect or be perceived as affecting the objectivity of a business decision or a public authority's decision. This approach extends to all our operations and geographies regardless of local business practices and applies equally to any third party or customer with which we partner. We only enter into business relationships with reputable third parties that share our ethical standards.

### **Conflicts of interest**

Conflicts of interest between Carlo Gavazzi, its employees, stakeholders and its business partners must be avoided.





We always place our Group's interests ahead of personal interests. We act in the best interests of Carlo Gavazzi. We use Carlo Gavazzi's property and information only for proper and legitimate business purposes. We ensure that any decisions we make on behalf of Carlo Gavazzi are independent of, and not influenced by, personal interests.

We disclose promptly any personal or professional interests that might reasonably be perceived to conflict with the best interests of Carlo Gavazzi, create an improper appearance or affect our judgment in carrying out our responsibilities at Carlo Gavazzi. We avoid external engagements or activities that might interfere with our responsibilities to Carlo Gavazzi or harm the company's reputation.

### **Responsible extraction of minerals**

Carlo Gavazzi is committed to the ethical sourcing of minerals used in our products and is working with suppliers to address the process for sourcing minerals responsibly.

### **Privacy and personal data**

We acknowledge the importance of personal data protection and believe that the principles behind data protection strengthen individual rights. We are committed to high standards of information security, privacy and transparency.

We place a high priority on protecting and managing data in accordance with applicable privacy laws. We may collect, use, store, handle, transfer and disclose personal data, within the scope of our business operations. Confidential employee information is stored securely. We shall not disclose any information to any company outside the Carlo Gavazzi Group except if required to do so by law.

### **Human Rights**

Human rights must be safeguarded throughout our entire value chain. Employees must be treated fairly, equally and with respect. Carlo Gavazzi promotes an organizational culture that supports human rights and seeks to avoid complicity in human rights abuses.

We support the principles contained within the International Bill of Human Rights, the United Nations' Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Labour Organization (ILO) Core Conventions on Labour Standards, and other applicable laws and principles. We require our suppliers and other business partners to abide by similar standards in those areas where human rights issues come into play, such as working hours and conditions, discrimination and equality, child labor, compulsory or forced labor and modern slavery.

### **Child and Forced labor**

Carlo Gavazzi does not accept child labor.

All our partners must respect all the applicable regulations in this respect, and in particular the regulations of the United Nations on human rights and children's rights. Our partners comply with the minimum age for admission to as well as the prohibition and immediate action of elimination of the worst forms of child labor.

No form of forced labor or work connected with any form of punishment is permitted.

The employees have freedom of movement during the course of their employment.

We respect employees' rights to organize themselves, or not to organize themselves, in trade unions and to negotiate collectively or individually in accordance with local laws. No employee shall face harassment or reprisals in order to exercise these rights.

## **Fair Employment**

We are a global company with employees from many different countries, backgrounds and cultures. We employ people of different genders, ethnicities, religions, generations and abilities.

We believe that our diversity is a source of strength and competitive advantage. We follow the applicable employment and labor laws wherever we do business, including wage and-hour, immigration, collective-bargaining, anti-discrimination and similar employment rules. All workers shall have a written, understandable, and legally binding labor contract.

Employees are paid under local law and regulations. Employees on parental leave must not be fired or threatened with dismissal and must be free to return to their former employment at the same rate and benefits.

## **Diversity and equality**

Carlo Gavazzi values and promotes diversity and gender equality, regardless of ethnicity, gender, gender identity, disability, religion or belief, sexual orientation and age.

Differences bring to light different perspectives of the world, which enhance the Carlo Gavazzi perspective of the world and enable us to be the best we can be. Thus, we value and promote a workplace that is inclusive and fair and which fosters respect for all of our fellow employees, customers, and other business partners.

We are committed to maintaining an environment based on respect for each person's unique and equal values and realize everyone's full potential by promoting an inclusive culture.

## **Discrimination and harassment**

Any harassment, including sexual harassment or other discriminatory treatment, will not be tolerated. Carlo Gavazzi is opposed to all forms of discrimination, harassment, intimidation, and degrading treatment and shall take action to combat discrimination on these grounds. We all have a responsibility to report any such conduct and to lead by example.



### **3. OCCUPATIONAL HEALTH AND SAFETY**

The health and safety of our employees and our business partners is a top priority for Carlo Gavazzi. We are working systematically for a safe and healthy work environment.

Risks that may lead to accidents or health impairment shall be dealt with promptly.

#### **Work environment**

Our work environment activities are based on national legislation in the countries of operation.

For Carlo Gavazzi a safe work environment means, for example, proactive risk management, competence for performing tasks safely, open dialogue, continuous improvements, clean workplaces, safe machinery in production and providing necessary personal protection.

All employees are informed of safety measures, such as emergency exits, fire extinguishers, first aid equipment and other life saving measures.

#### **Drug abuse**

Carlo Gavazzi has no tolerance for any drugs during working hours.



## **4. ENVIRONMENT AND QUALITY**

Environmental responsibility is core to Carlo Gavazzi's business model. Carlo Gavazzi works actively to reduce the environmental impact from our operations, focusing on products, transport, energy use and recycling. We continuously strive to decouple economic growth from environmental damage, with the aim of creating more value with fewer resources and using natural resources sparingly in all our areas of business.

Carlo Gavazzi takes quality and the environment into consideration in every part of our business. Carlo Gavazzi supports and encourages sustainable innovation to meet customer expectations. Stakeholders' expectations are taken into consideration in quality and environmental matters. This means that dialogue with customers, suppliers and other partners is a source of renewal and continuous improvement.

We comply with all applicable environmental protection laws, regulations and generally recognized standards. We consider potential impacts on the environment when making business decisions and strive to actively find ways to reduce any negative impact.

### **Environment and quality management**

Our factories and our service companies are certified under ISO 14001 and 9001.

### **Product content**

Systematic compliance with legislation about permitted substances or the use of dangerous substances is mandatory. Carlo Gavazzi expects, and works actively to ensure, that products and services comply with legal and safety requirements.

### **Energy and Water**

Carlo Gavazzi Group understand that we need to improve the way we use energy and water. We are committed to becoming more efficient to reduce the environmental impact of our activities and, at the same time, save money for our company.

### **Waste**

Carlo Gavazzi Group understand that we need to dispose all type of waste correctly. We are committed to reduce the environmental impact of our activities.



