



SMS group

# CODE OF CONDUCT

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# Hydromec s.r.l.

## Foreword

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Hydromec s.r.l. (hereinafter the Company) was founded in 1980 and, in over forty years of experience, nowadays is one of the leader in the manufacture of presses, automation and complete lines for hot forging of brass, steel and aluminium.

In its business activities, Hydromec s.r.l. takes as inspiring principles the respect of the law and the regulations of the countries in which it operates, as well as of the internal rules, within a framework of legality, correctness, transparency and respect for the dignity of the person.

The Code of Conduct specifies general requirements which shall provide standards and orientation for our daily work and thus contribute to strengthening our company's reputation.

The Code of Conduct is valid worldwide and binding for all employees of the Hydromec s.r.l. group. Should any special provision in an individual legal system comprise requirements going beyond those of our Code of Conduct, these must be complied with additionally by the respective companies and their employees in the countries concerned.

# 1. BEHAVIOR IN CONFORMITY WITH THE LAW

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The Company regards the integrity of its employees as an essential prerequisite for sustainable business success.

The adherence to legal and statutory provisions is of utmost importance to us. That is why we also expect every employee of the Company to act in compliance with the applicable rules and regulations.

Violations may be considered an offence under criminal and civil law and will be prosecuted accordingly; not only affecting the individual employee, but the company group as a whole.

Furthermore, disciplinary action will be taken against employees in breach of statutory provisions and in cases of non-compliance with our internal rules and regulations.

## 2. COOPERATION WITH CUSTOMERS, SUPPLIERS AND OTHER BUSINESS PARTNERS

### 2.1 Fair competition

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The Company, in the activities management and its business relationships, is inspired by the principles of legality, loyalty, fairness, transparency, efficiency and openness to the market.

In the competition for market shares we commit ourselves to fairness and integrity.

The Company shall never accept an order which can only be won by violation of the laws against restraints on competition.

In particular, arrangements with competitors as regards prices, conditions, the division of customer groups and division of regions shall not be acceptable.

Positions of market dominance must not be abused, in particular if the Company acts as a purchaser.

## 2. COOPERATION WITH CUSTOMERS, SUPPLIERS AND OTHER BUSINESS PARTNERS

### 2.2 Prohibition of Corruption – Offering and granting advantages

Our approach to competition for customer orders is founded on the awareness of our first-class products and services and on our company's excellent reputation.

Corruption as a means of winning orders is strictly prohibited.

No employee shall be allowed to grant third parties unjustified advantages in the context of initiation, conclusion or handling of orders, such as monetary or material contributions. The same shall apply to dealings with authorities.

Gifts for hosts or promotional gifts shall be allowed insofar as they are generally and socially accepted, correspond to the local customs and are considered a matter of politeness in the respective country. The choice, scope and monetary value of the gift or invitation shall comply with the customary - and legal - framework in the respective country.

Gifts of money are prohibited in all cases. In any case, when choosing or deciding on gifts and invitations, it must be ensured that these do not suggest the intention to influence the actions or decisions of the persons receiving the gift due to their monetary value.

Furthermore, transparency as regards gifts and invitations shall be ensured through the Corporate Management authorization. Especially when dealing with public officials, the criteria for choosing and deciding on gifts and invitations shall be considered with particular strictness.

## 2. COOPERATION WITH CUSTOMERS, SUPPLIERS AND OTHER BUSINESS PARTNERS

### 2.3 Demanding and accepting advantages

Our employees are not permitted to demand or accept personal advantages. Only low-value gifts from hosts or promotional gifts may be accepted which are granted in the framework of the customary - and legally admissible - practice and which do not suggest the intention of wanting to influence our employees' decisions. When in doubt, our employees are obliged to obtain their superior's permission before accepting any advantage.

### 2.4 Protection of company secrets and intellectual property

In order to maintain and expand our leading position when it comes to technology, our products and processes must undergo continuous development. This also involves securing our technology by means of patents and other industrial property rights. We expect every employee to protect our intellectual property without fail. In particular, every employee is responsible for making absolutely sure that no information about our intellectual property is disclosed to third parties. In the same way in which we protect our own intellectual property, we also respect the intellectual property of others. Business secrets shall be treated confidentially; they may be disclosed to employees only within the framework of their business activities.

## 2. COLLABORAZIONE CON CLIENTI, FORNITORI E ALTRI PARTNER D’AFFARI

### 2.5 Avoiding conflicts of interests

The private interests of an employee and the interests of the company must be clearly separated. Persons or companies with whom the Hydromec s.r.l. group maintains business relations may only be contracted by employees for private purposes in compliance with the conditions customary on the market.

### 2.6 Data protection

With the ever-increasing presence of communication technology in our everyday lives, the correct handling of personal data (information on personal or material circumstances of an identified or identifiable individual) has gained significant importance. Such data are capable of being stored and duplicated without restrictions. That is why the employees shall observe all relevant laws and company regulations also as regards the personal data of employees and third parties. Personal data of individuals may only be collected, processed and used in accordance with the statutory provisions and company regulations. In cases of doubt, the responsible data protection officer or a data protection expert shall be consulted.

## 3. TREATMENT OF EMPLOYEES

The private interests of an employee and the interests of the Company must be clearly separated. Person or Companies whom Hydromec s.r.l. has business relationships with can be contacted by employees for private purposes, only in compliance with what is usually accepted in the market.

### 3.1 General principles

The Company is responsible for all of its employees. We respect the personality of every individual. Excellent performance of our employees is the prerequisite for our business success. The Company will promote such talents who contribute to the sustainable success of the company group with their professional and social competence.

### 3.2 Non-discrimination rule

Hydromec s.r.l. do not accept any form of discrimination within our company group. All employees shall be treated equally both by their superiors and colleagues, regardless in particular of their ethnic background, skin color, sex, religion, national and social origin, personal circumstances, health and age. Every employee shall be given the same opportunities. Employment, remuneration, terms of employment as well as access to training and promotion shall without exception be in accordance with the requirements of the respective workplace.



## 4. PROTECTION OF COMPANY PROPERTY

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Company property may be used only for business purposes. Every employee shall be obliged to treat the company property entrusted to him/her with utmost care and to protect it against loss, damage and theft.

## 5. COMPLYING WITH THE CODE OF CONDUCT

Every employee of the Company shall be provided with a copy of this Code of Conduct. The principles and rules of conduct specified therein shall be an integral part of our corporate life and be practiced by all of us in our day-to-day work. The principles and rules of conduct will be applied not only to employees and partners, but also to company's executives and any person that has any business relationship with Hydromec s.r.l. group. All of the directors and managers have the duty to ensure that all employees know and comply with this Code of Conduct. Every

employee shall have the right and is expressly requested to notify his/her superior or ODV about any violations of which he or she is aware.

PROTECTION OF  
COMPANY PROPERTY

COMPLYING WITH THE  
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