



# ETHIC CODE



# Index

Page <b>1</b>	<b>Mission and vision</b>
Page <b>2</b>	<b>Introduction</b>
Page <b>3</b>	<b>People</b>
Page <b>4</b>	<b>Health and safety</b>
Page <b>5</b>	<b>Professional conduct</b>
Page <b>6</b>	<b>Research and development</b>
Page <b>7</b>	<b>Training</b>
Page <b>8</b>	<b>Emergency</b>
Page <b>9</b>	<b>Environment</b>
Page <b>10 - 11</b>	<b>Ethical work</b>

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## Mission and Vision

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Our business is industrial lubricants and our legitimacy is in over 100 years of experience in the field. We want to be a partner to our customers in order to meet the challenges of the market.

We passionately seek complete solutions, including seeking out alternatives, to contribute to the continuous optimization of industrial production processes, aware that this means reducing the consumption of energy and natural resources while safeguarding economic, social and environmental interests.

Each individual, in his or her unique diversity, is the focus of our attention for collective and continuous growth. Our objective is lasting partnerships with all stakeholders based on transparency, honesty and mutual respect as the basis for long-term shared prosperity.

We strive for excellence, day after day, in products, services and solutions with a lean, sustainable and customer-oriented approach.



Our integrity is driven by passion.

## Introduction

The company has been dedicated to the production of lubricants since 1917. Our history began at the end of the First World War and, after the end of the Second World War, the Company was revived thanks to reconstruction, giving life to our passion for lubricants for industrial use.

Our identity is based on the People who made it possible for this history to be written at that time and who still make it alive and relevant today, continuing to look to the future. It is

our origins, based on a human storyline, that dictate the direction of our tomorrow and project us towards never ending new goals.

With this in mind, we consider People to be the most important asset of all, fully aware that our ethical responsibilities encompass our Employees, Suppliers, Customers and the whole Planet. We share the common values already highlighted in 2015 by the United Nations, which represent the collective commitment to a sustainable development, in a society as complicated as ours.

Common goals in order to achieve a sustainable future.



*"Who has got a past since ever thinks to the future"*  
Luca Baraldi  
President-CEO



# 1 People



**W**e consider People as the beginning and the ending point of our work, which is why we are committed every day to ensuring the safety and health of all those who work and/or gravitate around us.

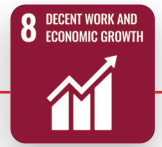
Our commitment also extends to creating an environment that is totally free from any form of discrimination.

We firmly believe in a meritocratic system in which racial, religious and gender discrimination have no meaning, where the exchange of information resulting from diversity and free comparison is an added value.

We aim to create a working environment that enhances the value of all those who interact with it every day.



We consider People as the beginning and the ending point of our work



The Company guarantees the physical and moral integrity of its employees, working conditions that respect the dignity of the person and a safe and healthy working environment, in full compliance with current legislation regarding the prevention of accidents at work and the protection of workers. The Company carries out its activities under technical, organizational and economic conditions which ensure adequate accident prevention and a healthy and safe working environment, committing itself:

- to avoid risks
- to assess avoidable risks
- combating risks at source,

to make the work fit for human beings – especially regarding the design of workplaces (ergonomics) and the choice of equipment and of working and production methods, in particular to reduce monotonous and repetitive work and to minimize the effects of such work on health, to take account of the degree of technical progress, to replace what is dangerous with what is

not or with what is less dangerous, and has a plan of investment to progress continually towards these goals

The company also undertakes to plan prevention, aiming for a coherent whole that integrates technology, organization, working conditions, social relations and the influence of factors in the working environment, as well as giving priority to collective protection measures over individual protection measures.

The Company is committed to spreading and consolidating a safety culture among all its collaborators and stakeholders, developing risk awareness and promoting responsible behavior by all collaborators, also by means of appropriate instructions. **The Recipients of this Code contribute to the process of risk prevention and health and safety protection for themselves, their colleagues and third parties**, without prejudice to their individual responsibilities under the applicable legal provisions. They must also maintain a climate of mutual respect for the dignity, honor and reputation of each individual, while respecting the organization within the company.

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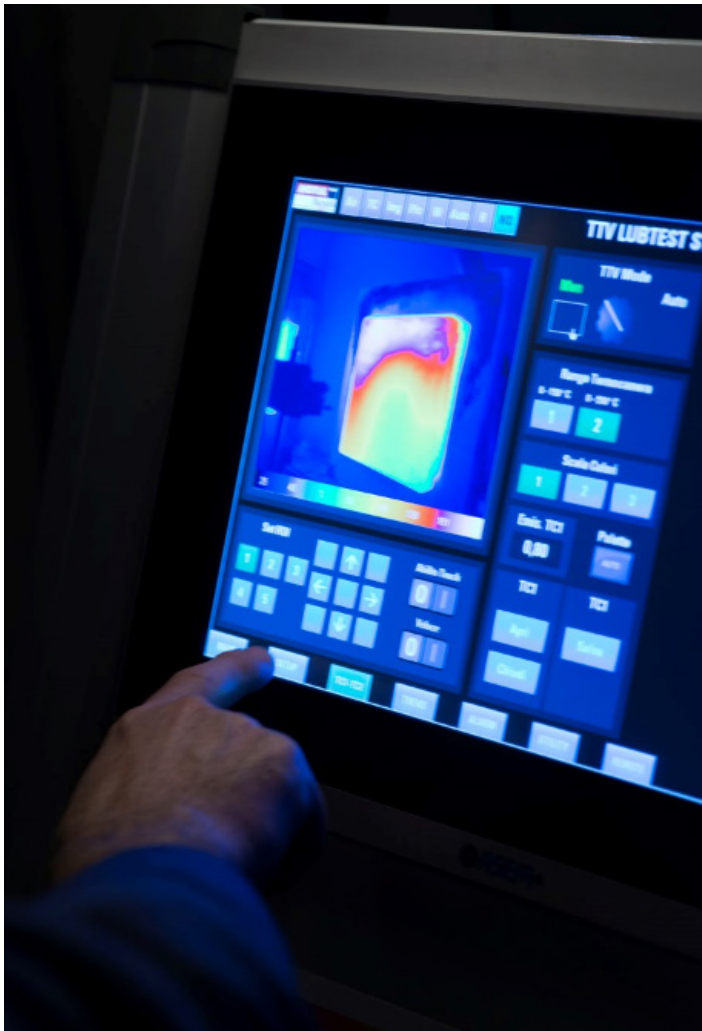


**We firmly believe that the only assessment measure for the common good is the one based on knowledge.** The only value judgement that exists is the one based on the actual capabilities of the person in question. Any other yardstick is inherently excluded from our scale of values.

We consider the professionalism of the Company as the sum of the professionalism of those who work for it.

The Company is constantly committed to the development of the individual profiles of its employees,

with specific programs aimed at professional updating and the acquisition of greater skills. Employees are required to cultivate and encourage the acquisition of new skills, abilities and knowledge, while managers and department heads must pay the utmost attention to enhancing and increasing the professionalism of their colleagues, creating the conditions for the development of their skills and the realization of their potential. The Company subscribes fully to the principles of Continual Professional Development (CPD).



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**R**esearch and development activities represent the genesis of all the technologies, understood as products, services and training addressed to the reference sectors, operating both in the constant search for chemical preparations with improved Health and Safety throughout the Value Chain but also a reduced environmental impact, and in the development of unconventional solutions for the continuous improvement and optimization in the use of our lubricants.

Attention to environmental impact is a fundamental part of our research, so that since the end of the last century we have implemented a system for the objective calculation of environmental impact C.I.A.A. (intrinsic coefficient of environmental impact) for every single component used in production processes. This assessment method has allowed us to be one of the first

manufacturers of lubricant release agents for light alloy die-casting to use active ingredients from renewable sources. Sustainability drives our product development.

Knowing that products alone are not enough to achieve the result, we have researched and developed unconventional solutions to optimize their use. The technologies we have developed enable a usage approach for our lubricants that reduces the waste of large volumes of water, ensuring the effectiveness and increasing the efficiency of our customer's production processes. We are deeply convinced that sustainability is the foundation and the goal of a common future, so it is not just a self-referential approach, but an approach that involves all stakeholders. This is why we care about the sustainability of our customer's processes and why we are convinced that it is possible to "Save the water, Save the energy, Save the costs".

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**T**raining activities are considered fundamental as part of the company's primary macro-processes. These can be for internal employees, external collaborators and customers' staff;

Training activities are divided into:

- information
- education
- training

By **information** we mean all the activities aimed at providing useful knowledge for the continuous improvement of professional skills through a process of competence growth.

By **education** we mean an educational process through which workers and other subjects of the company are provided with knowledge and useful procedures to acquire the necessary skills to carry out their tasks safely and to identify, reduce and manage risks.

By **training** we mean all the activities aimed at making workers learn the correct use of equipment, machinery, plants, substances, devices, including individual protection devices, and the relevant working procedures.

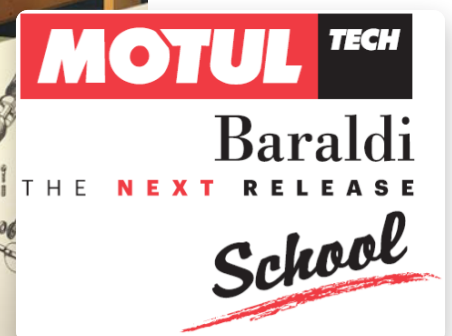
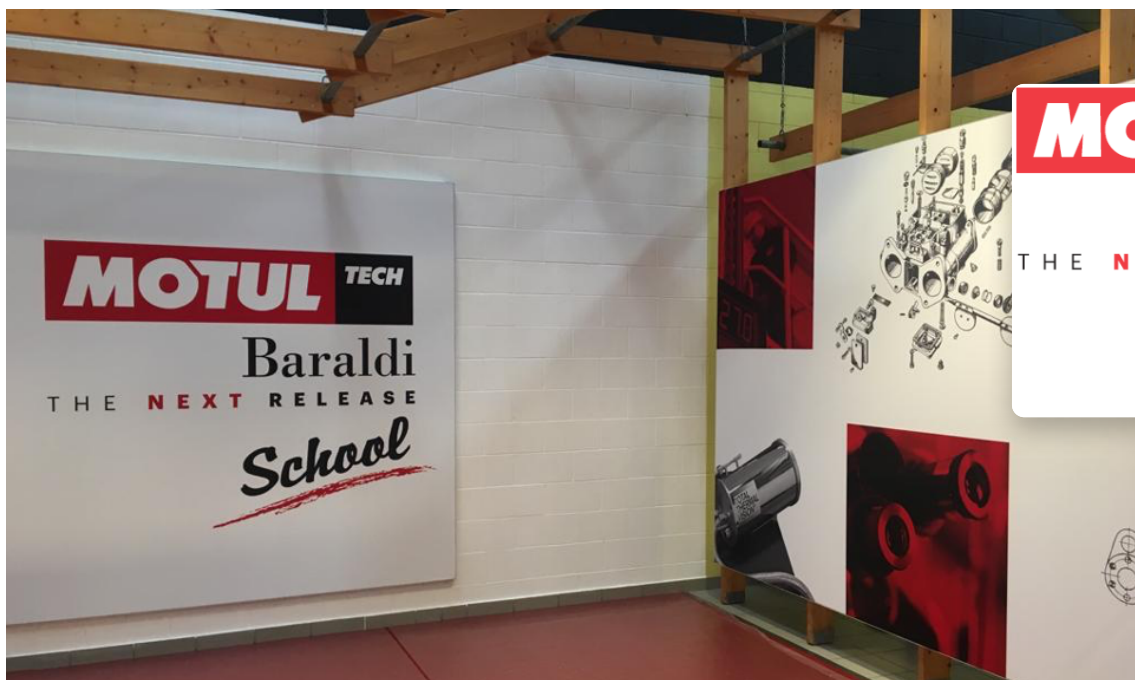
Training activities may include:

- external training: carried out by an external, usually specialized body, intended for employees in order to increase their specific professional skills

- internal training: carried out in the company, where topics of common interest are covered (Company Strategies, Quality, Safety, IT, etc.), intended for employees in order to increase their knowledge and awareness about the relevance of the activities to be performed. To provide the training, the Company may use internal staff or external experts. The Company has established, documented, implemented and maintained a Quality-Environment Management System and is committed to the continuous improvement of the System in line with the requirements of UNI EN ISO 9001 and 14001.

Moreover, a new training department called "**Motultech Baraldi School**", dedicated both to our Customers (End-Users) and to our Distributors, has been established. There are courses available for Production Manager, Process Technologist, DCM Operator, as well as courses tailored to specific needs, aimed at providing all the necessary information on the correct use of the products, on the application and control technologies, and on the methods for optimizing the lubrication process.

Training activities are considered fundamental as part of the company's primary macro-processes.



**E**mergency management is closely linked to training. Particular attention is paid to staff training in order to prevent environmental pollution in the event of emergencies. Periodically, emergency simulations are carried out to raise awareness about protecting workers and the environment. The critical situations that may give rise to emergencies can be divided into:

- Events related to spills, abandonment of hazardous waste, dangerous substances with risk of contamination of soil and surface water,
- Events related to accidental or intentional discharge of hazardous substances into sewers or leakage from sewers,
- Events related to exceeding the emission limit value in the atmosphere or in watercourses
- Events related to natural and external phenomena (floods, earthquakes, snow and ice)
- Events related to fires/explosions.

Activities and operations associated with significant environmental aspects related to emergency conditions are automatically considered to be at potential risk of a significant environmental incident.

The assessment of the level of significance of the identified emergencies is based on considerations regarding the following parameters:

- Probability of occurrence of the conditions leading to the emergency;
- Importance of the environmental impacts that may result from the emergency
- Reversibility of the impact generated by corrective actions;
- Degree of control exercised by the company over the activities affected by the possible emergency;
- Level of competence of personnel who may be involved in the emergency;
- Experience from accidents that have occurred.

The set of extraordinary measures, or procedures and actions, to be implemented in order to cope with and reduce the damages resulting from hazardous events for the environment, users and the surrounding population, have the following main and priority objectives:

- Reducing dangers to the environment and people
- Contain the event, to limit damage.

Training is a fundamental aspect in emergency management.

Particular attention is paid to staff training in order to prevent environmental pollution in the event of emergencies.





We firmly believe that for the company of the future, the concepts of Quality and Environment are closely linked and are an integral part of a single management system. This basic conviction is supported by a number of reasons: guaranteeing "the constancy of the quality standard required by the Customer" is no longer sufficient, but it is necessary to ensure that this company requirement does not change over time, complying with all mandatory laws and regulations, both in terms of the environment and health and safety at work.

**There is, in fact, no guarantee of continuity and reliability in a company that is not attentive to its working environment and does not care for its surroundings such as local communities.** Tomorrow's The company management of tomorrow will be increasingly based on the continuous improvement of each process; this means that, once a satisfactory or even high product quality standard has been guaranteed, it may be possible to further improve it by designing one with a lower environmental impact, thus improving the job of employees and, consequently, that of customers, as well as the health of the environment itself.

Our commitment for the near future is to provide products and services not just comply with the Quality

and Environmental requirements of UNI EN ISO 9001, UNI EN ISO 14001 standards, but also to manufacture products using methods that allow us to eliminate or reduce the environmental impacts generated, thus preventing environmental pollution. This aim must be pursued by:

- designing products with the aim to **continually reduce environmental impacts**, not only within the Company's infra structure, but also for the customer;
- implementing production by increasing the control of process variables in order to obtain an increasingly reliable environmental standard and at the same time to monitor the quantity of waste produced;
- identifying appropriate plans in order to outline operating methods that can lead to a reduction in environmental impacts and continuously optimizing production.

For these reasons we encourage care and **respect for the environment** and implement every possible effort in terms of organization, operation and technology, to prevent any form of pollution.

There is, in fact, no guarantee of continuity and reliability in a company that is not attentive to its working environment and does not care for its surroundings such as local communities.



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### 8.1. Corruption extortion bribery

Since people are the center of our attention, we are convinced that work must not only be safe but also morally correct and therefore ethical. Our commitment to ensure the highest level of ethical behaviour goes through the fight against:

- corruption
- extortion
- bribery
- coercion

We are convinced that any form of corruption is not only illegal, but also the antithesis of a fair and harmonious professional growth, that it generates unfair competition and does not guarantee the long-term development of the company system as we understand it. Following this approach, we therefore unequivocally condemn any form of behavior that could lead to similar practices, promoting ethical and correct behavior with all stakeholders.

### 8.2. Privacy

We are aware that, in the course of our business, we may collect and process personal data. **The processing of the collected data is solely for the purpose of carrying out our business.** In accordance with applicable law, our company does not investigate the opinions, preferences, personal tastes and, specifically, the private lives of the owners of personal data and we do not proceed, without the prior consent of the person concerned, to the disclose personal data. Our Company adopts adequate precautions and security measures with regard to processing of personal and/or sensitive data collected, from time to time, from the interested parties.

### 8.3. Conflict of interest

The directors, consultants, collaborators and employees of our company have the duty to behave fairly, avoiding situations that could lead to conflicts of interest with those of our company, or that could benefit them individually or interfere with their ability to make impartial decisions.

Those who deal with third parties on behalf of the company must act in accordance with ethical and legal standards, with an explicit prohibition on resorting to illegitimate favoritism, collusive practices, bribes or other means of corruption or solicitation of personal advantage for oneself or others. In the event of an actual or even potential conflict of interest, the person involved must

immediately inform his or her superior of such a conflict and refrain from any activity related to the situation giving rise to the conflict.

Our attempt to ensure an ethical environment also passes through a code of conduct that must necessarily be forward-looking and therefore prevent any form of conflict of interest. Our company policy, based on meritocratic and technocratic principles, excludes and does not take into consideration favoritism and dynamics that may bring even non-material advantages to individual people.

Since people are the center of our attention, we are convinced that work must not only be safe but also morally right and therefore ethical.



The processing of the collected data is solely for the purpose of carrying out our business.





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#### 8.4. Intellectual property and security measures

Every director, consultant, collaborator and employee of our company is called upon to maintain the utmost confidentiality towards any third party and not to make use in any way for their own personal benefit or for the benefit of third parties of confidential information of any nature pertaining to the company or to any other company of the group. All company information, unless previously approved for disclosure, is considered confidential and therefore classified as protected, unless otherwise stated. We are all responsible for recognizing, protecting and defending the company's intellectual property and respecting that of third parties.

#### 8.5. Export controls

The company is required to comply with all applicable import and export laws and regulations. To this end, procedures and control methods have been defined for all export operations in order to ensure compliance with international trade regulations, including those aimed at preventing money laundering or the financing of terrorist organizations. In this regard, the performance of commercial transactions and/or the transfer of funds and/or investments directed to countries or territories subject to export and/or import restrictions shall be carried out in compliance with the applicable laws and regulations.

#### 8.6. We reject any form of abuse

**We establish working relationships that are constructive and fair.** That is why we respect established working hours and ensure that overtime is well organized and paid, without weighing on or taking advantage of those who work with us. We categorically reject any form of child and/or forced labor. We promote a healthy and safe working environment: therefore, during working hours we prohibit the use, presence or distribution of drugs, we do not accept alcoholic substances unless explicitly authorized and we do not smoke in the workplace except where it is permitted.

#### 8.7. Suppliers

We take care and prefer to work and collaborate with suppliers who operate ethically, to ensure a "work chain" that is ethical from start to finish. To ensure this, we check the code of ethics and sustainability policies of each supplier, with particular attention to the 2030 Agenda for Sustainable Development Goals.

- Company and Governance of the Organization;
- People and Working Environment;

- Relationship with consumers;
- Supply Chain;
- Behaviour towards the Environment;
- Behaviour with the Local Community.

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