



# Ethical Code and professional conduct

Versione  
2.0

GRUPPO CERAMICHE

**GRESMALT**



## Contents

Introduction	p.4
Corporate Responsibilities	p. 5
Professional Conduct	p. 6
Ethical Code Implementation	p. 12
Final Measures	p. 14



## Introduction

As a matter of principle, Gresmalt, conducts its business based on the quality of its products and the integrity of its relations with employees, suppliers, customers and collaborators, in a context of fair competition and in compliance with the current legislation and regulations.

Gresmalt's core values are honesty, passion, efficiency, continuous improvement, customer orientation and respect for people. Gresmalt's values are the guidelines for the daily management of the company and are the basis of everything we do.

As part of these values, Gresmalt is committed to contributing to economic

growth and sustainable development, balancing short and long-term objectives and integrating economic, environmental and social issues into decision-making processes in order to grow significantly its business and serve its customers well.

Our values are coherent with the ten fundamental principles of the Global Compact.

**Honesty, passion,  
efficiency,  
continuous improvement,  
customer orientation  
and respect  
for the people.**

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## Corporate Responsibilities

**OUR EXPECTATIONS**  
**Gresmalt's people must carry out their work and perform their duties with professionalism, diligence and correctness, efficiently spending the time available, using the tools provided with expertise and assuming the responsibilities associated with their commitments.**

**Employees** are required to represent the company in a responsible manner and to behave with honesty and integrity. They must also make every effort to perform their duties in a safe manner and to treat their employees, superiors and colleagues with respect.

The responsibilities of Gresmalt **Board and Senior Managers** include and go beyond those of other employees. Therefore, all managers at all levels must promote this Ethical Code and serve as a model for their teams.



# Professional Conduct

## OUR BEHAVIOURS

**Gresmalt's Ethical Code is the tool to relate ethical conduct to the working environment, business practices and relations with external stakeholders.**



### HUMAN RESOURCES

Personnel is hired by Gresmalt with a regular employment contract. No irregular work is permitted, even on the part of suppliers and collaborators. At the start of the employment contract, employees receive complete and accurate training according to the type of collaboration, covering the following aspects: organizational structure and internal regulations, procedures to be adopted to avoid health risks related to work activities, hygiene regulations and HACCP (Hazard Analysis and Critical Control Points).



### HEALTH AND SAFETY

At work are Gresmalt's priorities, as a fundamental pillar of corporate social responsibility. Based on these principles, Gresmalt is committed to protect the health and safety of its employees and of everyone with whom the Company has relations, creating and maintaining a working environment that protects physical integrity by complying with current legislation on safety and workplace risks. For this reason, the responsible office carries out a constant monitoring of the safety conditions of the workplace, carrying out the appropriate technical interventions, promoting the safety culture also through specific training. All employees, collaborators, are required to scrupulously comply with the rules and obligations deriving from reference regulations and to comply with all the measures provided for by internal procedures.



### RIGHTS TO INTEGRITY OF THE PERSON

Gresmalt pursues and supports the observance of internationally recognized human rights, particularly those of our employees and business partners. In addition, the company protects equal opportunities for employees, regardless of skin color, race, sex, age, citizenship, social origin, disability and sexual habits. We respect the political and religious beliefs of our employees, as long as they are based on democratic principles and tolerance of different opinions. Gresmalt condemns and does not use child or forced labor, nor has it entered into or stipulated contracts with suppliers or subcontractors who use it. Finally, the company recognized the fundamental right of all employees to join unions, to which they can join in accordance with their own free will, respecting the right to collective bargaining for the regulation of working conditions according to the respective legal rules in force. Employees will not be favored or disadvantaged by their membership of trade unions.



### ENVIRONMENT

Is considered by Gresmalt as one of the main stakeholders. The company is committed to the continuous search for solutions to reduce the impact of industrial activities on the environment and society. Therefore the "life-cycle" approach has been adopted for environmental, social and economic impact assessment and eco-design of products, while maintaining competitiveness.



# Professional Conduct



## TANGIBLE AND INTANGIBLE CORPORATE PROPERTY

Must be used only for legitimate business purposes. Gresmalt employees are required to take care of both the physical and intellectual property of the company and not to expose it to the risk of damage, loss, misuse or theft. In addition, intellectual property is considered confidential information and should therefore not be subject to public disclosure.



## CONFLICTS OF INTEREST

May arise when the private activity of an employee or manager of the company conflicts with the responsibilities associated with the organizational position and role held at Gresmalt. In such cases, an employee must disclose the potential conflict of interest to his or her manager. The matter will be examined by the Legal Department and company management and the employee will be informed about the ways to resolve the conflict of interest. In this regard, employees are required to respect any decisions taken by Gresmalt.



## CUSTOMERS

Gresmalt is constantly committed to meeting the needs of its customers and strives to provide quality products. The Company will honestly provide performance information about its products as well as prices, in its marketing and sales actions.



## GIFTS AND BENEFITS

Gresmalt employees and managers, in managing relations with suppliers, customers and third parties generally cannot accept offers in cash, gifts or benefits of any kind if they are aimed at obtaining undue advantages of any nature, real or apparent. Similarly, employees, partners and other third parties representing Gresmalt must avoid giving or receiving gifts or entertainment if they could improperly influence the recipient's judgment or be perceived as such.



## INSTITUTIONS

Gresmalt maintains collaborative and transparent relations with public or private institutions at local, national, EU and international levels, with the aim of facilitating dialogue on issues of specific interest.

# Professional Conduct



## CONFIDENTIAL INFORMATION

Gresmalt is committed to protecting information and data relating to its employees and third parties and to preventing the misuse of such information and data in accordance with the European Data Protection Regulation (GDPR 2016/679). All information, knowledge and data acquired or processed by employees in the performance of their duties belong to Gresmalt and may not be used, disseminated or divulged without prior specific authorization by a direct supervisor.



## REGULATORY FRAMEWORK

Gresmalt operates within the reference framework of the United Nations Universal Declaration of Human Rights, the Fundamental Conventions of the International Labour Organisation (ILO), the Charter of Fundamental Rights of the European Union. In addition, the Company operates in compliance with current national regulations.



## VIOLATIONS AND PENALTIES

In order to protect the interests of Gresmalt, any violation of the provisions of this Ethical Code will lead, for subjects responsible for such violations, to the application of penalties in accordance with the provisions of the current regulatory framework.

# Ethical Code Implementation

## OUR COMPLIANCE WITH THE CODE

Entrepreneurs, shareholders, suppliers, consumers and local communities welcome the Gresmalt's success. Each of these parties constitutes the Company's stakeholders, but what is right for one of the stakeholders may not be suitable for others. Unfortunately, it is not possible to work towards the best interests of all. However, to promote maximum benefit for the greatest number of entities or people, Gresmalt has adopted the Ethical Code as a strategic management tool for the organization governance. The code represents the Social Charter that expresses relations between the company and its stakeholders, and as the main mechanism for its implementation, Gresmalt has committed itself to a process of mapping its stakeholders. Gresmalt is currently carrying out a detailed analysis of the context as a preparatory cognitive process to understand and

quantify the impact that the company's activities have on the natural and socio-economic environment of reference, and the organizational framework of Gresmalt, on which the extent of the benefit for all stakeholders depends in a crucial way. The objective of this analysis was the identification and selection of the Gresmalt stakeholders. In accordance with the guidelines of UNEP/SETAC for Social Life Cycle Assessment, AA1000 Stakeholder Engagement Standards and guidelines for Social Responsibility (ISO 26000), a detailed list of Stakeholders has been prepared which, for various ways, are directly and/or indirectly involved on the business. In this view, our Ethical Code model is focused on the next categories and subcategories of stakeholders:

STAKEHOLDER CATEGORIES	STAKEHOLDER SUBCATEGORIES
1 . HUMAN RESOURCES	1.1 Staff Personnel 1.2 Trade Unions
2. LOCAL COMMUNITY	2.1 Local Public Institutions
3. SOCIETY	3.1 Private Business 3.2 Public and Private Organization 3.3 Environment 3.4 Media
4. CONSUMERS	4.1 Trade Channel Operators 4.2 Final Consumer
5. VALUE CHAIN ACTORS	5.1 Suppliers 5.2 Partners 5.3 Competitors



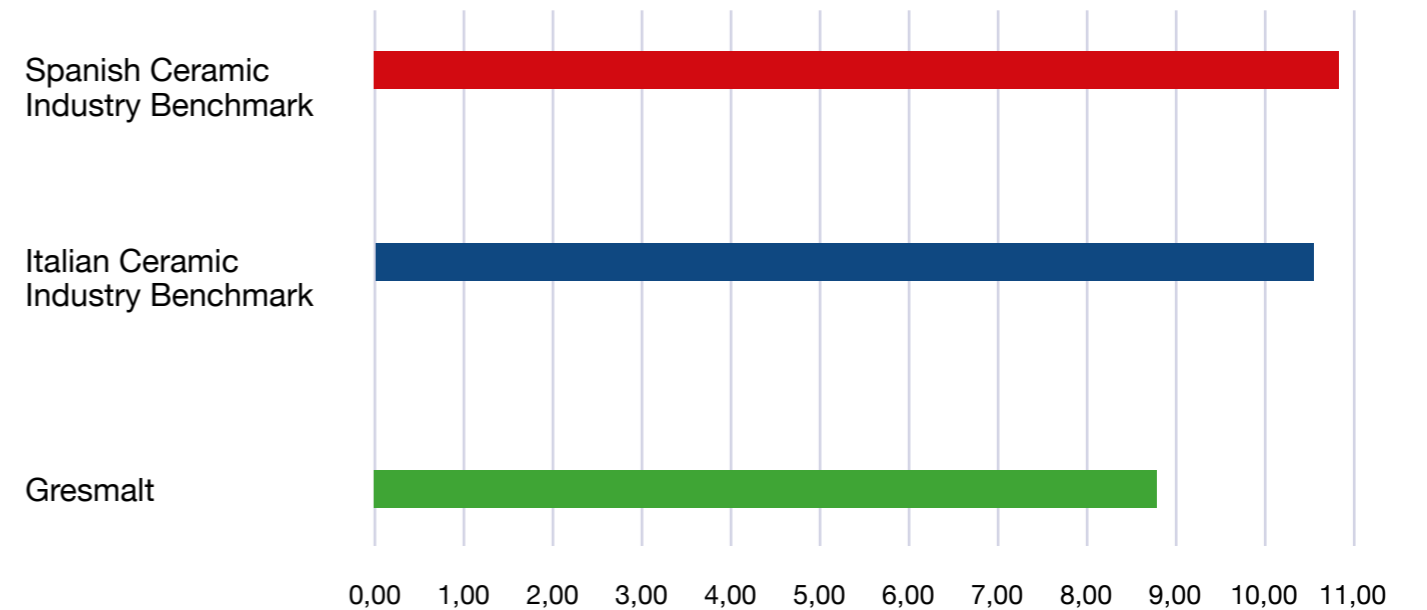
# Ethical Code Implementation

Annexed to this Ethical Code is a more detailed list of the stakeholders, provided in the form of a table accessible for reference purposes, which is used as tool for defining appropriate involvement strategies. In order to measure environmental performance and bridge corporate ethics and CSR, thereby integrating the social and the environmental, Gresmalt carries out periodical life cycle assessments (LCA). LCAs offer a quantitative approach to determining sustainability indicators by analysing the environmental impacts of ceramic tiles from the cradle to the grave,

i.e. production to end-of-life disposal. One of the most important environmental indicators that the LCAs provide is the GWP (Global Warming Potential), i.e. the amount of emissions into the air that contribute to global warming (measured in kg CO<sub>2</sub>-equivalent). The following graph compares the GWP obtained from the LCA carried out by Gresmalt against the average GWP indicators for the Italian and Spanish ceramics industries, obtained from the respective industry-specific EPDs (Environmental Product Declarations).



**GWP I GLOBAL WARMING POTENTIAL [kg CO<sub>2</sub>-Eq.]**



The GWP indicator values shown in the graph refer to the production (A1 Supply of raw materials, A2 Transport and A3 Manufacturing) of 1 m<sup>2</sup> of porcelain stoneware. The results show that the CO<sub>2</sub> (carbon dioxide) emissions of Gresmalt productions are below industry averages. This encourages us to maintain our commitment to striving for increasingly sustainable technology solutions. The study, including the LCA, which details the quantitative results of the environmental impact assessments, is available for reference. The ISO 14040 standard under guidelines published by the UNEP/SETAC Life Cycle Initiative has been used as LCA methodology. Therefore, the Company's Ethical Code, through its social and environmental impact assessment tools, provides internal and external stakeholders with a series of benchmarks on which they can reasonably

express their opinions on Gresmalt's reliability and reputation.

# Final Measures

## OUR APPROVAL AND AMENDMENTS

This Ethical Code is approved by the Board of Directors of Gruppo Ceramiche Gresmalt S.p.A. Future updates of this Code of Ethics, resulting from regulatory changes, changes in civil society, or otherwise, shall be adopted by the Board of Directors and promptly circulated to all stakeholder.

The terms of this Ethical Code become effective on January 2, 2020. The Code will be periodically

reviewed and updated.

The current version is 2.0 of February 2021.

NOTE: All the environmental, economic and social impact assessment activities described in this document have been carried out under the European Project LIFE16ENV/IT/000307 “Life, Force of the Future”, that proposes an integrated life-cycle approach for the ceramic production, in collaboration with University of Modena and Reggio Emilia (Italy) and Rey Juan Carlos University of Madrid (Spain).

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