

**ERG Group**  
Code of Ethics



*The values contained in the Code of Ethics are identical to those that have always inspired the behaviour of each and every one of us. These values are described below, simply arranged in a structured manner, clearly and transparently stated in a document designed for easy reference, which at the same time sets forth the ensuing behavioural principles.*

*In fact, our intention is for this code to facilitate the achievement of two important objectives: on the one hand, to promote and consolidate a sense of aggregation and belonging, harmonising the behaviour of all parties concerned; on the other, to help confirm and enhance the image of an authoritative, reliable and responsible company, ensuring a correct basis for the relationships with any and all parties who, for whatsoever reason, come into contact with our Group.*

*This new revised version of the Code of Ethics is designed to be a continuation of the aforesaid intentions and in fact aims to reiterate in a more incisive manner our company's commitment as regards adoption of the principles and values of business ethical and social responsibility and environmental sustainability in managing all its activities. This is the spirit behind the revision of this document and this, I am certain, is the spirit with which all of you will once again adopt it.*

The Chairman  
Edoardo Garrone

A handwritten signature in black ink, appearing to read 'Edoardo Garrone', with a stylized flourish at the end.

## 1. Introduction

The ERG group (hereinafter ERG), in carrying out its business activities, acts in accordance with ethical principles deriving from a wealth of individual and corporate values consolidated over time.

The conduct of everyone whose operations, at various levels of responsibility, contribute towards ERG's overall business, including the Consultants and other external Collaborators however they may be called, should be imbued with these values, which mainly comprise:

- moral integrity, personal honesty and the correctness of internal and external relations;
- transparency towards shareholders, the market and other stakeholders, namely those categories of individuals, groups or institutions whose interests are directly or indirectly affected by the performance of their respective activities;
- responsibility vis-à-vis the community whose economic and social development can be affected, even indirectly, by ERG's operations;
- sustainable development of its activities and protection of health, safety and the environment;
- respect for employees and commitment to enhancing their professional skills;
- social commitment;

and more generally the refusal of any conduct which, even if directed towards achieving a result consistent with ERG's interests, may include aspects that are not compatible with our organisational and managerial model characterised by full observance of the law and the behavioural and procedural rules in force within ERG.

The need to share the aforesaid values as broadly as possible calls for them to be defined and explained in an official document, the Code of Ethics, in order to allow their wide dissemination within ERG so that all members of our company can adapt their behaviour accordingly in carrying out their daily activities.

ERG consequently undertakes to oversee compliance with the Code of Ethics, providing appropriate information, prevention and control tools and intervening where necessary with suitable corrective actions.

The Code of Ethics supplements and completes the rules of conduct already defined by ERG for specific activities or categories of persons, including:

- the Code of Conduct for the Directors of Group Companies;
- the procedure for the dissemination of announcements and information to the public;
- provisions relating to the handling of sensitive and confidential information;
- the Code of Conduct for transactions involving financial instruments issued by Group Companies, carried out by "relevant persons";

to which reference is made for a more in-depth consideration of specific matters.

## 2. Recipients, field of application and revisions

The Code of Ethics applies both to employees and, insofar as compatible, to all parties who, for whatsoever reason, make their contribution during the course of ERG's business activities.

All employees have the right and the obligation to know the Code, apply it, request explanations in case of doubts, call attention to any inadequacies encountered or the need for it to be reviewed or updated.

In particular, ERG management is required to apply the Code of Ethics, carrying out all necessary information activities vis-à-vis employees and associates:

- when establishing business objectives and social and environmental responsibility commitments;
- when evaluating projects and investments required for the company's growth;
- when conducting all other operational activities.

The Code of Ethics is adopted by the Boards of Directors of the parent company and the subsidiaries and information regarding same is distributed to all affiliated companies. It is also circulated to third parties with whom ERG has dealings in the course of its business activities.

The employees, in relation to their specific responsibilities, must:

- inform third parties with regard to the contents of the Code of Ethics and in particular the obligations of ERG employees deriving therefrom;
- ensure that third parties observe the provisions of the Code of Ethics insofar as applicable to their relationship with ERG;
- report to their superiors any violation on the part of third parties of the aforesaid obligation to observe the provisions of the Code of Ethics pertaining to them.

It is each person's right/duty to approach their superiors or the Supervisory Committee if they require any clarification on how to apply the Code of Ethics, and to promptly report to the said parties any information concerning possible violations of the Code, cooperating with the structures given the task of verifying same.

Any violation committed by a superior must be reported in writing to the Supervisory Committee or to a supervisor within the organisational unit of the person in question and will be treated with the utmost discretion.

The Supervisory Committee is responsible for verifying observance of the Code of Ethics and will report to the Personnel Department on the findings of any checks carried out that require the adoption of possible sanctions against employees who have violated the rules.

The Supervisory Committee will promote within ERG activities related to Code of Ethics circulation, training, awareness and revision.

ERG for its part undertakes to:

- encourage the widest possible circulation of the Code of Ethics, arranging its elaboration and revision and also making available to all employees the policies and guidelines defined for each activity;
- guarantee an ongoing training and awareness programme as regards the issues pertaining to the Code of Ethics;
- carry out all necessary verifications in respect of any and all information relating to possible infringements, applying, in case of a finding thereof, appropriate sanctions;
- ensure that no-one experiences any form of retaliation for information concerning possible violations of the Code of Ethics reported in good faith, in any case treating as confidential the identity of the reporting person.

### **3. Respect and development of human resources**

Human resources are an indispensable element for the existence, growth and success of every business.

ERG therefore pays special attention to developing, safeguarding and enhancing the capabilities and skills of all its employees, so as to enable them to express their full potential and professionalism and, consequently, to contribute towards achieving business objectives whilst complying with the social and environmental responsibility commitments defined by management.

ERG offers all its employees equal job opportunities, according to their respective professional characteristics and performance capabilities, without any discrimination.

For this purpose ERG, in compliance with all prevailing laws, regulations and company policies and through its appropriate departments, endeavours to:

- select, hire, remunerate, train and assess employees based on criteria of merit, competence and professionalism, without any political, union-related, religious, racial, linguistic or sexual discrimination;
- ensure a working environment in which the relations between colleagues are marked by loyalty, correctness, cooperation, mutual respect and trust;
- offer working conditions that are suitable from a health and safety standpoint, as well as respectful of each individual's moral personality, so as to encourage prejudice-free interpersonal relationships;
- intervene in the case of behaviour which does not conform to the above-mentioned principles;
- oppose in particular any form of intimidation, hostility, isolation, undue interference or conditioning, sexual harassment.

For the purpose of implementing the foregoing, ERG undertakes to make available its Human Resource management policies, via the internal communication channels.

Each head of function is required to involve his/her associates in the work being performed and in the attainment of assigned objectives; the latter in turn must participate with a spirit of collaboration and initiative, effectively contributing to the realisation of the agreed activities.

Training is the tool that has always be used by ERG to enhance the professionalism of its employees, by way of growth and development programmes.

## 4. Business management

### 4.1 Employee behaviour

The behaviour of employees in their pursuit of objectives and their conclusion of each transaction must be based on principles of honesty, transparency, loyalty, integrity and correctness, in observance of corporate policies, and of the laws and regulations in force in all countries where ERG operates.

The belief of acting for the benefit of ERG may not, under any circumstances, justify behaviours that are contrary to the principles laid down by this Code of Ethics, generalised observance of which is of fundamental importance for the good functioning and reputation of ERG and of the Group.

This commitment must also be true for consultants, service station managers and whomsoever operates in the name or on behalf of ERG.

ERG has established a procedure fixing the criteria and conditions for both donating and receiving gifts and gratuities.

No form of gratuity is permitted beyond normal commercial or courtesy practices or in any way designed to obtain preferential treatment.

It is forbidden to offer any gift or preferential treatment vis-à-vis Italian or foreign public officers, or their families, such as to influence their independent judgement or lead to the assurance of any form of benefit.

Gifts and acts of courtesy and hospitality vis-à-vis government representatives, public officials and public service officers are allowed only if they are of modest value and in any case are not such as to:

- compromise the integrity or reputation of either one of the parties;
- be construed, by an impartial observer, as intended to obtain benefits in an inappropriate manner;
- influence the decisional autonomy, independent judgement or impartiality of the counterparty.

Even in Countries where it is customary to offer gratuities to Customers or other parties, as a mark of courtesy, these must be of an appropriate nature and must not be contrary to legal provisions. They must not, under any circumstances, be such that they may be construed as a request for favours in exchange.

Anyone receiving unauthorised gratuities, gifts or benefits, is required to notify the Supervisory Committee which, in accordance with the established procedures, will evaluate the appropriateness of same and inform the third party of the Company's position in such respect.

The rules of the Code of Ethics, regarding gratuities, gifts and benefits, in addition to being applicable, without any exception, to Directors, Managers and Employees, must also be observed by all those involved in the achievement of ERG's objectives.

The Shareholders, Business Partners, Customers, Suppliers and all parties who, for various reasons, come into contact with the Company, will therefore play a part in consolidating a corporate image that faithfully reflects the values of transparency, correctness and loyalty.

Employees may not begin or continue dealing with anyone who does not intend to conform to these principles; likewise they must not, even apart from the company business, behave or operate in

such a way that could lead to a conflict of interest and/or be in competition with ERG, or which could interfere with their own capacity to take decisions in an impartial manner in the performance of their duties. Lastly, they are required to avoid potential conflict of interest situations and refrain from taking personal advantage, either directly or through third parties, of business opportunities of which they have become aware during the performance of their duties.

For example, the following must be avoided:

- the purchase of (direct and indirect) financial investments or other interests of an economic nature in companies which are customers, suppliers or in competition with ERG, with the exception of shares and financial instruments listed on regulated markets;
- working, or carrying out activities in any way remunerated, for companies which are customers, suppliers or are in competition with ERG.

Moreover, in case of employees accepting appointments and/or responsibilities within Companies not forming part of the ERG Group, this will necessarily entail prior disclosure to the employer company insofar as the prolonged execution of such activities may be detrimental to work performance or the activity in question may have been obtained or carried out by virtue of professional skills developed in ERG;

- improper use of confidential information, acquired by way of the position held, in order to obtain a financial advantage on a personal or family level;
- acceptance, on a personal or family level, of donations of money or in kind, or other favours on the part of people who conduct, or who wish to enter into, business relations with ERG, unless such gifts are of a modest value or usefulness and can be considered acts of normal and correct courtesy. Apart from such cases all gifts must be refused and superiors must be informed.

#### **4.2 Relations with customers**

In relations with customers, employees are required:

- to adhere scrupulously to the established internal procedures;
- to act with courtesy, efficiency, in accordance with contract provisions and offering exclusively products and services of the highest standard of quality provided by ERG;
- to provide customers with accurate, complete, clear and true information regarding the products or services offered, so as to allow the counterparty to make an informed choice;
- not to disseminate communications that might in any way prove to be misleading.

ERG's conduct vis-à-vis its customers is marked by principles of helpfulness, professionalism and courtesy; ERG pursues the objective of completely satisfying its customers, and pays special care and attention to their suggestions and complaints.

### **4.3 Relations with suppliers**

In relations with suppliers, employees are required:

- to scrupulously adhere to the internal procedures set up for the selection, rating, choice and awarding of supply contracts and the acceptance of products and services, clearly and transparently documenting the evaluation criteria, in order to ensure the best possible competitive advantage for ERG and guarantee the best standard of quality as regards the products offered to ERG;
- not to arbitrarily exclude from calls for bids or general requests for supplies potential suppliers in possession of the necessary and suitable requisites;
- demand observance of and observe contractual conditions;
- avoid using suppliers with whom they have ties of kinship or affinity;
- adopt all possible precautions to avoid using suppliers whose conduct is not in turn inspired by ERG's ethical principles.

Based on the foregoing, ERG periodically has its "List of Suppliers" reviewed, with the object of rationalising same and improving both the cost-effectiveness and efficiency of supplies and the suppliers' consistency and compliance with the principles and criteria of ethical/social and environmental responsibility on which its business is based. Hence, no potential Supplier in possession of the necessary requisites must be denied the possibility to compete for the offer of its products and services.

In order to guarantee maximum transparency, ERG takes steps to ensure:

- separation of roles between the functions requesting the supply and those drawing up the contract, subject to the exceptions previously set forth by corporate procedures;
- adequate reconstructability of the decisions taken;
- conservation of documents in accordance with current legislation and internal procedures.

### **4.4 Use and safeguarding of corporate assets**

All employees and associates must bear in mind that the tangible and intangible corporate assets made available to them by ERG are to be used:

- with greatest care and in a correct manner, also so to avoid damage to property or persons;
- avoiding, insofar as possible, waste, tampering or usage such as might compromise their state of efficiency or accelerate their normal deterioration;
- exclusively for purposes connected with and instrumental to the performance of work;
- completely avoiding – except where allowed by specific regulations – the use or transfer of the assets in question on the part of third parties or to third parties, even on a temporary basis.

All employees and associates are responsible for the use and safe-keeping of assets given them by the Company.

The I.T. equipment and applications must also be used in observance of the above and more particularly by:

- carefully following the corporate security and confidentiality policies;
- completely avoiding the acquisition, use or transmission, particularly on a large scale, of information and material which is not work-related
- not altering the hardware and software configurations supplied by the Company.

In observance of current legislation, the Company carries out checks and implements measures to prevent any behaviour which is not in line with the foregoing.

All employees must also operate in such a way as to reduce the risk of theft, damage or external threats to the resources allocated or present within the Company, duly informing the Functions responsible in case of any anomalous situation.

## 5. Use and disclosure of information

ERG believes that the disclosure of correct, complete and truthful information regarding all company events – and the maintenance of due confidentiality, where necessary, with regard to same – is a premise for creating and maintaining a transparent relationship and one of trust with its own stakeholders and those of the market.

Therefore, when handling information employees are required:

- to keep scrupulously and with utmost confidentiality all company information of any kind acquired in the course of their work (employees' personal data, organisational data, information pertaining to negotiations, financial transactions, know-how, patents, plans, strategies and market analyses, privileged price-sensitive information, etc.);
- to request permission to handle personal data, for the purposes communicated.

As regards information generally, employees are required:

- to avoid an improper or instrumental use of confidential information in their possession, nor may they use it for their own advantage or for that of their family members, acquaintances or third parties generally;
- to protect the information from unauthorised third party access, prevent its dissemination, unless specific authorisation is given by the Person in Charge;
- not to look for or try to obtain from others information not related to their own sphere of competency or duties;
- to classify and organise the information so that authorised persons may access it easily, obtaining a full picture of same.

Employees who are not expressly authorised, in the manners and according to the terms set forth in Legislative Decree 196/2003 concerning the protection of persons and personal data, are forbidden to know, record, handle or disclose the personal data of other Employees or of third parties.

## **6. Accounting transparency**

Accounting records and documents must be kept in full observance of the principle of truth, correctness, clarity and completeness of information.

Employees are therefore required:

- to represent operational items in a complete, transparent, truthful, accurate and timely manner, also with a view to facilitating the accounting process as a whole and in observance of the set procedures;
- to correctly record all economic and financial transactions, without any omissions;
- to keep adequate documentation on every operation and transaction, so as to facilitate the verification/reconstruction of the decisional and authorisation process, the latter on the basis of the appropriate levels of responsibility;
- to archive such documentation in a logically organised manner, so as to make it easily retrievable;
- to allow controls to be carried out confirming a transaction's characteristics and the motives behind it;
- to provide the auditors and other internal control bodies with the necessary information in a truthful and complete manner.

Any ERG Employees who become directly aware of omissions, falsifications or negligence as regards the accounting records or supporting documentation, are required to report such facts to the Supervisory Committee.

## **7. Health, safety and environmental protection**

ERG is convinced that the complete compatibility of its activities with the surrounding environment is a primary condition both for the acceptability of its plants and its operational activities and for achieving its growth objectives.

ERG is therefore constantly committed to ensuring that the operations of the various corporate divisions are carried out with total respect for the health and safety of its employees and third parties as well as, in a broader sense, the environment.

In particular, also thanks to the active contribution of its employees, ERG:

- promotes and carries out all reasonable actions designed to minimise the risks and remove the causes that can jeopardise the safety and health of its employees, and of those who are located in the vicinity of its operational units;
- ensures constant attention and commitment to improving its performance in the environmental field via the reduction of emissions into the air, water, soil with a responsible and conscious use of natural resources;
- evaluates environmental and social impacts prior to undertaking new activities, or introducing changes and innovations to procedures and products;
- promotes a constructive working relationship, marked by utmost transparency and trust, both within the company, with outside parties and with public institutions regarding the management of issues relating to Health, Safety and the Environment;
- maintains high levels of safety and environmental protection, via the implementation of management systems that are developed and certified according to internally recognised standards;
- continuously strives to enhance information and awareness and provide specific training, in the knowledge that the active contribution of all employees is a decisive factor for achieving the above-mentioned goals.

In keeping with the foregoing, ERG has adopted regulations as regards the acceptance of oil tankers at its own sea terminals with stricter provisions than those laid down by the current legislative framework.

Since 2002, ERG has also been committed to obtaining and maintaining, on the sites where activities with a significant environmental risk are carried out, the internationally-recognised ISO 14001 certification of its environmental management system. A similar commitment is directed towards implementing health and safety management systems according to the OHSAS 18001 standard. Again in line with the above principles, ERG has introduced a ban on smoking in all indoor workplaces.

As confirmation of the great importance ERG places on the values pertaining to health, safety and environmental protection, the evaluation of each employee's individual performance takes into account whether or not their conduct is in line with company policies, and particularly those referred to above.

## 8. External relations

Also in relations with persons vis-à-vis whom it has no form of contractual relationship, ERG considers that the main point of reference must be that of respecting all the standards and values contained in the Code of Ethics. In particular, relations with the Public Institutions and the safeguarding of ERG's interests vis-à-vis same must be managed by the corporate functions having relevant responsibility or delegated for such purpose.

ERG is committed to full and scrupulous observance of the antitrust rules and those of the market regulatory Authorities. Furthermore, ERG does not deny, conceal or withhold any information requested by such Bodies and actively cooperates during the course of investigation operations. As regards gifts or other acts of courtesy and the conduct of negotiations, reference is made to point 4.1 above. Whenever in relations with a Public Institution ERG makes use of third-party consultants or representatives, the latter must conform their behaviour to the provisions contained in the Code of Ethics.

ERG does not make direct or indirect contributions, in any form, to political or union-based parties, movements, committees or organisations, or to their representatives or candidates, unless they are required to do so by specific laws currently in force.

ERG employees must likewise not make or promise donations chargeable to or in the interests of the Company.

Mass media relations are maintained exclusively by the appropriately delegated corporate functions, also to ensure uniformity in communications.

These functions perform a service role on the basis of guidelines supplied by top management, as regards general policy and Group image activities, and by the appropriate operational functions for specific matters.

Employees must cooperate as necessary with the corporate functions assigned to mass media relations, in order to ensure that the information disclosed externally is correct, accurate and transparent.

In turn, the corporate functions assigned to mass media relations must not:

- supply or endeavour to supply information that has not been agreed or approved at the required level of responsibility with the directly involved or competent line functions;
- influence the professional activity of the mass media, by offering or promising payments, gifts or other advantages.

Employees called upon to provide or explain outside the group information concerning the Company's goals, activities, results and viewpoints, must obtain prior authorisation from the top management of their respective organisational structure as regards the contents/opinions to be communicated and agree same with the corporate function responsible for mass media relations.

ERG undertakes to periodically prepare and disseminate a document (sustainability report), drawn up in conformity with nationally and internationally recognised standards, with a view to providing a clear, accurate and precise account of actions taken and results achieved in respect of economic-financial objectives and objectives concerning social and environmental responsibility as defined in observance of the Code of Ethics.

## **9. System of sanctions**

Already from the introductory statements to this Code of Ethics a clear, strong call emerges for precise and careful observance of all legal provisions on the part of each employee in the course of his/her work.

Lack of compliance with same cannot fail to imply application vis-à-vis the employees of the sanctions set forth by such provisions or by special purpose laws.

On the other hand, observance of the Code of Ethics must arise not merely from a duty imposed by ERG on its employees, but from their sharing of the fundamental values which are set out in the Code.

This does not exclude, however, the right/duty of ERG to oversee compliance with the Code of Ethics, taking all measures of prevention and control that are deemed necessary and appropriate for the aforesaid purpose

Any infringement of the rules of the Code of Ethics constitutes a violation of the basic obligations of the employee's contract of employment or a disciplinary misdemeanour, with all legal consequences, also as regards continuation of the employment or collaboration relationship.

ERG therefore intervenes, in case of proven infringements of the Code, by applying the measures contemplated by the system of sanctions.

These measures, in proportion to the seriousness of the infringements committed, are applied in accordance with the procedure set up for such purpose, unless the violations to which they refer represent infringements not only of the rules laid down in the Code of Ethics, but also of contractual and legal provisions.

In the latter case the appropriate legal sanctions will be applied.

Genoa, 10 March 2008

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