



ERG GROUP SUPPLIER CODE OF CONDUCT

Approved by the Board of Directors of ERG S.p.A. on 31 October 2019



CONTENTS

Introduction	3
1. Scope of application and addressees	4
2. Governance & Business Integrity	4
i) Regulatory compliance.....	4
ii) Anti-corruption and anti-money laundering.....	4
iii) Ethical commitments and conflicts of interests.....	5
iv) Respect for competition.....	5
v) Protection of intellectual property and confidentiality in doing business.....	5
3. Human rights, care for workers and local communities	5
i) Equal opportunities, non-discrimination and fair working conditions.....	5
ii) Forced labour.....	6
iii) Child labour.....	6
iv) Workers' freedom of association.....	6
v) Occupational health and safety.....	6
vi) Respect for contractual conditions and worker privacy.....	6
vii) Community involvement.....	7
4. Respect for the environment	7
i) Compliance with environmental regulations and environmental management systems.....	7
5. Monitoring and Compliance	7
i) Methods for performing audits and control activities.....	7
ii) Reporting mechanism.....	8
iii) Management and assessment of cases of non-compliance.....	8

INTRODUCTION

In 2018, the ERG Group¹ (the "Group") completed an in-depth process of transforming from a private Italian oil operator to a major independent player in the generation of electricity from renewable sources (wind, solar, hydroelectric, high-yield thermoelectric cogeneration), with a growing presence abroad.

The Group's sustainable development model integrates business activities conducted in an ethical and transparent manner with protection of the environment, occupational health and safety, and respect for people.

Respect for the principles of legality, honesty, fairness, equality, confidentiality, equity, integrity, transparency and sustainability, defined within the Group's Code of Ethics, is applied within the ERG Group as well as in relations with third parties with which the Group interacts in carrying on its business.

In this regard, in order to govern relations with its stakeholders, the ERG Group has adopted instruments such as the Code of Ethics, the Anti-Corruption Policy, the Sustainability Policy and the Human Rights Policy.

In this context, the ERG Group believes that creating transparent, lasting relationships with the players in its supply chain and sharing the values and principles that inspire the Group in doing business are particularly important. To that end, the ERG Group has decided to adopt a Supplier Code of Conduct (the "Code"), which defines the principles and standards of conduct it requires all members of its supply chain to respect.

The provisions of this Code are inspired by the principles laid out in the Fundamental Conventions of the ILO (International Labour Organization) and the Universal Declaration of Human Rights of the United Nations (as well as the ten principles set forth in the United Nations Global Compact).

The Procurement function is responsible for periodically proposing updates to the Code, after consulting with the organisational units concerned, on the basis of the events and future developments that may take place within and outside the Group, for subsequent approval by the Board of Directors.

¹ ERG Group refers to the group of companies directly or indirectly controlled by ERG S.p.A.

1. SCOPE OF APPLICATION AND ADDRESSEES

Anyone who works with the ERG Group, be they suppliers, contractors, sub-contractors or commercial partners (the "addressees") is required to comply with this Code. Therefore, the Group promotes its dissemination and application within the scope of its commercial relationships.

Observance of the rules of this Code must be considered an essential component of the obligations assumed on any basis whatsoever and for all intents and purposes by the addressees with respect to the Group.

The addressees are in turn required to inform, share and describe to their own employees, sub-suppliers, auxiliaries and the employees of the latter the principles laid out in the Code and guarantee and verify compliance with it.

2. GOVERNANCE & BUSINESS INTEGRITY

i) Regulatory compliance

The addressees are required to respect domestic and international legal and regulatory requirements as well as any other international agreement that applies to the existing contractual relationship with the Group. The addressees are also required to act in compliance with the principles laid out in this Code.

In the case of any conflict between the provisions of this Code and those of applicable laws and regulations, the addressees of this document are required to respect the more restrictive requirement, after consulting with the ERG Group, provided this does not violate any applicable legislation.

If there is not a more restrictive requirement, applicable legislation shall apply.

ii) Anti-corruption and anti-money laundering

The addressees must respect applicable anti-corruption laws and regulations.

In particular, within the scope of the principles defined in the Code of Ethics, the Sustainability Policy and the Anti-Corruption Policy, in performing their activities, the addressees must be inspired by the utmost accuracy, comprehensiveness and transparency of information, and formal and substantial legitimacy and clarity and truthfulness of the information provided to the public, according to rules and regulations in force.

The addressees are also required to respect laws on anti-money laundering, self-laundering and the receipt of stolen money, goods or other benefits.

iii) Ethical commitments and conflicts of interests

The addressees are required to conduct themselves in a manner compliant with the principles of business ethics and transparency and are called upon to avoid any and all conflicts of interests capable of influencing the commercial relationship with the ERG Group or which could interfere with their capacity to perform their activities impartially and for the benefit of the Group, or of other third parties.

iv) Respect for competition

The addressees are required to respect applicable antitrust laws and regulations and pursue the principles of fair and transparent competition; the addressees are also prohibited from enacting any practice that may restrict or is capable of unlawfully disrupting the market in performing their activities.

v) Protection of intellectual property and confidentiality in doing business

The addressees are required to respect the intellectual property of the Group and of third parties and shall be deemed liable for the use or violation of patents and/or trademarks and/or other intellectual property rights relating to the utilisation of materials, machinery or work methods used in the performance of their activities.

The addressees are also required, in compliance with applicable laws and regulations, not to disclose to third parties and in any manner for reasons not strictly linked to the performance of the contract, the technical information and all confidential and strategic information² made available by the Group.

3. HUMAN RIGHTS, CARE FOR WORKERS AND LOCAL COMMUNITIES

i) Equal opportunities, non-discrimination and fair working conditions

The addressees are required to guarantee equal work opportunities to all without any discrimination based on race, colour, gender, language, religion, ethnic origin, disability, civil status, sexual orientation or political or union opinions.

The addressees must also guarantee a workplace free of harassment, threats or any other form of abuse or physical or sexual, psychological or verbal harassment.

The addressees are required not to conduct themselves in any manner whatsoever that limits personal rights and freedoms in any phase of the working relationship.

² All designs, specifications and any other technical and other documents that the Group makes available to the addressees and which remain the property of the Group and may be used only and exclusively for the performance of the contractual relationship.

ii) Forced labour

The addressees are required to respect the principles, values and internationally accepted best practices on the rights of workers, abstaining from any form of forced or compulsory labour.

The addressees are required to guarantee and promote respect for free work, based on fair and transparent contracts for the workers and avoiding unjustified restrictions to free movement, undue appropriation of documents and wages.

iii) Child labour

The addressees are required to respect the minimum employment age and the minimum age of completion of compulsory education as established by applicable laws and regulations.

iv) Workers' freedom of association

The addressees are required to respect all applicable laws and regulations aiming to ensure the freedom of association of workers and recognise the right to collective bargaining.

Employees should not fear intimidation or retaliation due to the formation of or membership in a union or participation in collective bargaining.

v) Occupational health and safety

The addressees are required to respect all applicable laws and regulations, for example but not limited to rules relating to worker health and safety, occupational health and workplace accident prevention.

The addressees are required to act to create a work environment that is attentive to health and safety, including with the adoption of management systems certified according to recognised standards, aiming to minimise risks and remove the causes that could jeopardise the health and safety of their personnel and that of third parties.

The addressees are also required to promptly inform the ERG Group of any serious or fatal accidents involving their personnel, that of their sub-contractors or third parties during or as a result of the performance of their activities.

vi) Respect for contractual conditions and worker privacy

The addressees must guarantee that daily and weekly working hours do not exceed the maximum limit established by applicable laws and regulations. The addressees are required to compensate overtime hours in compliance with established legal and contractual conditions. The minimum pay of employees cannot be lower than that established by collective labour agreements and the laws and regulations in force in the various countries.

The employees must also be guaranteed periods of rest, leave and vacation as set forth in contracts and collective labour agreements and in compliance with applicable provisions of law and regulations.

The addressees are required to respect employees' right to privacy, undertaking to properly use the data and information provided in compliance with the law and applicable domestic and international regulations in force.

vii) Community involvement

The ERG Group pays attention to the social and economic development of the local communities in which it operates and requires the addressees to perform their activities while participating in local growth and enhancement, establishing relationships of constructive dialogue and collaboration with all stakeholders, inspired by the utmost transparency and trust.

4. RESPECT FOR THE ENVIRONMENT

i) Compliance with environmental regulations and environmental management systems

The addressees are required to respect applicable environmental laws and regulations, adopt a precautionary approach with a view to preserving natural resources and use efficient technologies that aim to reduce environmental impact with a view to preserving natural resources.

In particular, within the scope of the Code of Ethics and the Sustainability Policy, the addressees are required to commit to privileging the use of renewable sources, minimising the environmental impact of their activities, protecting local ecosystems and biodiversity and promoting the aware, responsible use of all available natural resources, also supported by the adoption of management systems certified in accordance with recognised standards.

In carrying out their activities, the addressees are also required to handle any environmental emergencies by relying on management and intervention procedures based on careful analyses and risk assessments.

5. MONITORING AND COMPLIANCE

i) Methods for performing audits and control activities

On request, the addressees are required to provide the Group with all necessary information for an accurate and complete initial assessment. If the addressee is unable to satisfy some aspects of this Code, in part or as a whole, it must promptly inform the Group.

The ERG Group reserves the right to perform investigations and inspections, either directly or through formally engaged third parties, in order to verify respect for this Code.

ii) Reporting mechanism

If the addressees become aware of any violation of this Code, the Group encourages them to send a report to sustainableprocurement@erg.eu.

Any form of retaliation, discrimination or direct or indirect penalisation against those sending reports, for reasons either directly or indirectly connected to such report, is prohibited. Any violation of the above-mentioned prohibition is subject to the application of penalties. At the same time, the ERG Group ensures that the confidentiality of the reporter's identity and the report itself is protected, without prejudice to legal obligations and the protection of the rights of the Group or of people accused wrongly and/or in bad faith.

Sending reports with wilful intent or gross negligence that are found to be groundless is subject to the application of penalties, when possible.

iii) Management and assessment of cases of non-compliance

If cases of non-compliance with the provisions of this Code are identified, the Group reserves the right to require the addressees to implement corrective measures.

In particular, the ERG Group is willing to work with the addressees in their identification and adoption of improvement actions, with a view to remedying the issues of non-compliance identified.

If the corrective measures are not implemented, or in the case of serious or systematic breach of this Code, the ERG Group reserves the right to dissolve the Contract early and remove the supplier from the Vendor List.

"The ERG Group is committed to protecting the Personal Data provided to it. Therefore, the management and security of such data are guaranteed with the utmost attention, in compliance with the requirements of Regulation (EU) 2016/679 - GDPR and the Privacy Code (Italian Legislative Decree 196/2003), as amended by Italian Legislative Decree 101/2018.

In the case of the processing of Personal Data, the ERG Group undertakes to provide the relative disclosure pursuant to the regulation mentioned above.

For additional information, you may contact casellaprivacy@erg.eu."

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