

Management Consulting Knowledge NetWorth.it S.r.l. (MCKN)

BUSINESS ETHICS CODE

Introduction

In a business environment marked by trade globalisation, the purpose of MCKN 's business ethics code is to reiterate the Group's attachment to universally recognised fundamental principles and to promote respect for these principles amongst its suppliers, clients and partners (hereinafter referred to as "Partners") by developing sound and transparent business practices. MCKN also commits to fighting corruption, conducting due diligence and observing and implementing competition law rules. MCKN s actions are based on the principles contained in the Universal Declaration of Human Rights (1948), the OECD Guidelines, the ILO Declaration on Fundamental Principles and Rights (1998), as well as the ILO's 8 relevant conventions. These commitments, which MCKN observes in its own companies, fall within the scope of the ten principles of United Nations Global Compact, to which MCKN belongs. MCKN expects that its Partners observe the commitments contained in its ethics charter, just as it does.

The Code's Scope of Application

This code's provisions apply to all Partners, whether they are suppliers (including their subcontractors across the entire production chain regardless of rank), manufacturers, franchisees, agents and brokers, or business relationships of MCKN businesses. Signing this code is the prerequisite for the establishment of any business relationship. The Partner must fully comply with applicable regulations, specifically regarding social, labour, quality, product safety and environmental laws. The Partner must observe each item of this code, and, in every instance, apply the strictest standards. MCKN is committed to product manufacturing conditions and to their origin, which must comply with its values and this code.

Under no circumstances shall the Partner be authorised to subcontract any part whatsoever of the supply chain without a prior written statement to its instructing party. All production done using undeclared subcontractors is

prohibited.

Code Provisions\

Employment/Work Conditions

Child labour is unacceptable. Employees must not be younger than the minimum legal working age in the country in question, or than the age of completion of compulsory schooling in this country, and, in any case, no younger than 15 years of age¹. Minors who are above the legal minimum working age but younger than 18 years of age cannot be employed to do hazardous work which, owing to its nature or the conditions under which it is practised, is likely to cause harm to their health, safety or moral integrity and/or to be harmful to their physical, mental, spiritual or social development.

Forced labour is not tolerated in any form whatsoever, whether it is mandatory, pledged or done by unfairly compensated prisoners. All behaviour resembling moral or sexual harassment is not tolerated. All forms of corporal or psychological punishment, verbal abuse, as well as all forms of intimidation, are prohibited.

The Partner must ensure that all work provided is voluntary and has not been performed under duress or under mental, physical or verbal threat. Any restrictions on freedom of movement or retention of personal documents are strictly prohibited.

No measure whereby the employee would be prohibited from legitimately leaving the Partner or the production site may be taken: “non-cancellable contract” work is prohibited.

The disciplinary measures must be known and based on valid, legal rules.

The work must be done within the framework of a recognised relationship, established in accordance with national legislation.

¹ If, however, the minimum legal working age is locally set at 14 years old, in accordance with the exceptions for developing countries under ILO Convention no. 138, the aforementioned will apply

-The necessary measures must be undertaken by the Partner to provide a clean, safe and healthy **working environment**. MCKN asks the Partner to refrain from any manufacturing process with adverse health effects, such as sand-blasting.

The Partner must take appropriate accident and fire prevention measures, and see to it that the buildings and equipment are sturdy, stable and safe.

Outreach and risk prevention training sessions must be presented regularly to enable employees to understand and follow protection and safety procedures.

-The Partner must comply with applicable laws and rules concerning **compensation**, income and all other forms of fringe benefits. Employees must at least earn the legal minimum wage or, in the absence of that, receive compensation in accordance with current local standards. Workers must be compensated for the standard hours worked. Overtime work must be paid at the legal increased rate. Employees shall also receive proof of payment of their salary. The payroll payment schedule must be no more than monthly, with no illegal deductions or penalties. The Partner shall under no circumstances use fines as a disciplinary practice.

Working time must follow local legal standards; overtime must not exceed legal limits. Employees are entitled to annual paid leave, fringe benefits, social security coverage and statutory holidays as defined under national law.

The Partner commits to recognise its employees right, without prior authorisation, to form organisations of their choice, as well to become affiliated with them and to freely and independently **bargain collectively**. It also commits to respect the free exercise of trade union rights, in keeping with local regulations. Moreover, Workers must benefit from adequate protection against all acts of discrimination likely to undermine freedom of association. In countries where these fundamental freedoms are limited by

law, the Partner is encouraged to promote all measures aimed at allowing for the development of workers' freedom of expression regarding their working conditions and the social dialogue.

Absence of Discrimination

MCKN refrains from all discrimination and expects its Partner to ensure that no discrimination in any form whatsoever exists in its businesses, whether as part of recruitment, hiring, remuneration, training, working conditions, assignment, discipline, promotion/advancement, termination of employment relationships or retirement. The same applies for all criteria related to race, ancestry, caste, social, national or ethnic origin, religion, marital status, pregnancy, age, handicap, illness, gender, sexual orientation, union or political affiliation, political opinions or any other characteristic or personal belief.

All distinctions in treatment must be exclusively based on professional skills and experience.

The Fight Against Corruption

In accordance with its Ethics Charter, MCKN rejects all corruption and implements measures to combat this scourge, whether the corruption is passive or active: conflicts of interest, influence peddling, money laundering, fraud, etc. The rules of conduct and ethical standards advocating integrity and involving the avoidance of all situations of conflict of interest are described in the codes of conduct of the countries where MCKN is established. This principle specifically involves a categorical ban on being given or accepting personal gifts and favours. The provisions pertaining to the fight against corruption are imposed on the Partner and all its agents and representatives. The relationships between MCKN and its Partners are based on the principle of acting in good faith and fairness in the conduct of business.

Environmental Aspects

MCKN commits to the protection of the environment and the preservation

of natural resources. MCKN expects that its Partner will act responsibly in this area. The Partner must promote alternatives to harmful manufacturing practices by encouraging the use of products obtained or manufactured using methods that respect the environment: energy and water efficiency, recycling, pollution prohibition, respect for biodiversity, etc.).

Waste and chemical management procedures, as well as procedures for other hazardous substances, emissions and effluent treatment must comply with legal requirements.

The commitment aiming to improve environment practices entails regular follow-up actions on the Partner's part to identify possibilities for improvement.

Cooperation, Transparency and Monitoring: Strict Vigilance of Manufacturing Conditions

The Partner must train its employees concerning their rights and duties as defined by this code and local applicable laws. It must authorise MCKN to conduct expected or unexpected monitoring at any time on the production sites, whether by its own teams or by an appointed independent external organism. Within the framework, the Partner must systematically declare all information on its production sites.

Moreover, it must keep precise, comprehensive registers that enable it to prove their compliance with the provisions of this code. It must reveal to its instructing party all elements that prove the compliance of its production practices and those of its subcontractors regarding the code's provisions. The Partner's full cooperation is expected during monitoring visits. It must demonstrate a genuine willingness to improve its social performance and develop efforts on this front. The Partner must not undertake disciplinary actions, dismiss or discriminate against, in any way, an employee for having alerted or having provided a piece of information concerning the observance of this business ethics code. Any breach of these obligations will lead to the end of the business relationship.

When the events are attributable to a subcontractor or representative, the same sanction applies to the Partner, unless it can prove that it has implemented an effective system to fight corruption and that the fraudulent events are solely due to the subcontractor or its representative.

Corrective Actions and Sanctions

Given MCKN 's desire to foster productive long-term relationships with its Partner, each instance of monitoring may lead to a negotiated corrective action plan between the supplier and its MCKN instructing party, except for serious breaches (corruption, forced labour, child labour, opaque subcontracting, etc.) leading to the immediate termination of business relationships. In the event of non-compliance with this action plan, MCKN will have grounds for **immediately** terminating its business relationship with the Partner.

MCKN nonetheless reserves the right to terminate business relationships at any time in the event of serious violations of human rights, children's rights, undeclared subcontracting, deliberate violation of the sense of morality or ethics and/or a persistent lack of cooperation, cases of corruption or attempted corruption.

Changes to the Code

This code will change based on practical experiences, changes of circumstances, legal requirements or updates to its ethics charter. MCKN will therefore continue to ensure that this code is regularly revised, updated and sent to all its Partners.

By signing this code, the Partner commits to comply with it and undertakes to ensure its observance by its own subcontractors and Partners.

"In cases where any doubt exists, I will inform others."

I have questions regarding the conduct to maintain in a situation that I deem complicated and perhaps ethically borderline, I have witnessed an action or proposal that I sense to be dishonest, and therefore I shall contact the MCKN ethics hotline, which guarantees confidentiality.