



Legislative Decree No. 231 of 2001  
ETHICAL CODE

PREAMBLE

PART I GENERAL PROVISIONS

- Art. 1 General principles
- Art. 2 Activities covered and persons addressed
- Art. 3 Communication

PART II RELEVANT ETHICAL PRINCIPLES

- Art. 4 Responsibilities of the company
- Art. 5 Responsibilities of individuals
- Art. 6 Observance of the law
- Art. 7 The importance of people
- Art. 8 Human rights
- Art. 9 Conflict of interests
- Art. 10 Transparency
- Art. 11 Honesty
- Art. 12 Confidentiality

PART III RULES OF CONDUCT

- Art. 13 Customer relations
- Art. 14 Dealings with government authorities
- Art. 15 Relations with staff and contractors
- Art. 16 Relations with suppliers
- Art. 17 Prevention of unlawful conduct
- Art. 18 Avoidance of conflicts of interest
- Art. 19 Gifts and other benefits
- Art. 20 Other forbidden conduct

PART IV HEALTH AND SAFETY AT WORK

- Art. 21 Ensuring health and safety at work and good working conditions

PART V PENALTIES FOR BREACH

- Art. 22 Breach of provisions of this Code
- Art. 23 Penalties

PART VI FINAL PROVISIONS

- Art. 24 Approval of Ethical Code



## Legislative Decree No. 231 of 2001 ETHICAL CODE

### PREAMBLE

1. KONG s.p.a. is a long-established Italian company which uses advanced technology and is a leader in the field of designing and manufacturing carabiner clips and safety equipment, for use in mountain climbing, rescue operations, potholing, sailing and working at heights.

The company started business in its present form in 1977, but has a much longer history, beginning with a machine workshop set up in 1830 by Giuseppe Bonaiti near Lecco on Lake Como, with engineering equipment that was unusual at that time.

In this establishment he started business manufacturing carabiner clips among other products, and the name of Bonaiti became known all over the world.

In 1977, as part of a major reconstruction, the company was renamed KONG and, with a capital currently standing at 2 million Euros, it established itself in new premises at Monte Marenzo, covering 10,000 square metres. The organisation now employs approximately 70 people, and uses equipment designed to achieve high volumes of production together with scrupulous attention to safety.

In 2013 the company applied to the Region of Lombardy for accreditation as a private provider of training services.

KONG operates in the marketplace and realises that it must adapt to market conditions and accept its rules and challenges. The market is a factor of fundamental importance but is not the only factor which the organisation needs to take into account.

The company must take account of the expectations of all persons and bodies which have a relationship with it, whether direct or indirect. This need is part of the wider need for ethical standards, which is only meaningful in the context of respect for the rights and dignity of others, in accordance with the principles of the United Nations' Universal Declaration of Human Rights, of the international work recommendations issued by the ILO, of the Italian Constitution and of the legislation in force.

2. In order to give formal expression to the aims of KONG to observe ethical standards and prevent unlawful and irresponsible conduct, the management has decided to adopt a Model of Organisation, Management and Control pursuant to Legislative Decree No. 231 of 2001, "Regulation of the administrative responsibilities of companies, other bodies, corporate and unincorporated associations".

This Model provides for the adoption of an Ethical Code as one of the essential requirements of that Model. The purposes of the Ethical Code are:

- a. to acknowledge the relevance and binding force of the ethical principles described below, including the prevention of crime;
- b. to set out the values and principles governing the conduct of business and relations with employees, contractors, partners and stakeholders in general;



## Legislative Decree No. 231 of 2001 ETHICAL CODE

- c. to state the principles of conduct to be observed by all persons addressed by the Code;
  - d. to establish a suitable penalty regime to ensure the effective and detailed carrying out of the Code.
3. In the conduct of its business KONG undertakes to comply with the legislation and regulations in force. For this purpose the company will promote a working atmosphere of respect, propriety and cooperation and will encourage staff and contractors to feel involved and responsible, with due regard to the objectives to be achieved and the means of pursuing them.
- KONG operates in accordance with the principles of fairness, propriety, responsibility, liberty, human dignity and respect for diversity and rejects all forms of discrimination on the ground of gender, race, language, personal or social circumstances or religious or political beliefs.

### PART 1 GENERAL PROVISIONS

#### Art. 1 General principles

1. The Code, comprising those principles which it is most important to observe in order to ensure the functionality, the trustworthiness of management and the corporate image of KONG, sets out the rights, duties and responsibilities of the company in relation to its stakeholders, namely:
  - customers (whether government authorities, private bodies or individuals) who purchase and use the company's products;
  - public organisations with responsibility for the control and financing of the educational system, such as the Region of Lombardy;
  - employees;
  - suppliers;
  - independent contractors.
2. The provisions of the Code set out specific examples of the general duties of diligence, loyalty (articles 2104 and 2105 of the Civil Code), propriety and fairness (articles 1175 and 1375 of the Civil Code) governing the rendering of services under contracts of employment and behaviour in the work place.
3. KONG acknowledges the central importance of human resources and believes that the professional contribution of those who work there is an essential factor for the success and development of the company. Human resources must be managed in a way that is respectful of the personalities and professionalism of all members of staff, promoting a spirit of fairness and trustworthiness.

#### Art. 2 Activities covered and persons addressed

1. The Code specifies the rules of conduct and prohibitions to be observed in connection with all business and activities affecting the different categories of stakeholder.
2. The provisions of the Code are addressed to all persons and bodies involved in the business and



## Legislative Decree No. 231 of 2001 ETHICAL CODE

activities of KONG, in particular:

- the management of the company;
- employees of the company;
- outside persons or bodies who perform work for the company or otherwise enter into relations with it, whether on a permanent or a temporary basis.

3. The provisions of the Code are binding on all persons and bodies to whom it is addressed.

### Art. 3 Communication

1. The management of KONG undertakes to keep all persons and bodies to whom the Code is addressed informed of the provisions and application of the Code, and to require its observance. Accordingly the management of the company, together with the company's Supervisory Panel, shall arrange for:

- the distribution of the Code to employees and contractors;
- the training of and provision of information to all employees and contractors;
- the interpretation and clarification of the provisions of the Code;
- monitoring for full compliance with the Code;
- the institution of proceedings for breach of the provisions of the Code, to the extent that these amount to breaches of discipline;
- any updating of the provisions of the Code that may be appropriate to meet future requirements.

2. This Ethical Code shall be published, in a suitably prominent position, on the [www.kong.it](http://www.kong.it) website.

## PART II RELEVANT ETHICAL PRINCIPLES

### Art. 4 Responsibilities of the company

KONG is aware that, in the design, manufacture and marketing of its products, it is responsible to its customers all over the world for its performance, for safety and for compliance with all applicable laws and regulations.

### Art. 5 Responsibilities of individuals

All employees and contractors must perform their work and carry out the tasks allotted to them with professionalism, diligence, efficiency and propriety, and must make the best use of the tools and the time available to them. They must take full responsibility for the tasks allotted to them, on the basis of the organisation's procedures set out in the Quality Management System.

### Art. 6 Observance of the law

In no circumstances will KONG depart from the principle of respect for the laws and regulations in force in all countries in which it operates.



## Legislative Decree No. 231 of 2001 ETHICAL CODE

Employees, contractors, suppliers, customers and all other persons or bodies with whom KONG has dealings must respect this principle.

The company shall not initiate or continue with any relationship with any person or body which does not propose to abide by this principle.

### Art. 7 The importance of people

The importance of people as such is a basic principle underlying KONG's way of doing business.

KONG undertakes to maintain an attitude of listening and dialogue as a tool for constant improvement, both in the suggesting of solutions to customers and in making the best use of the professional abilities and competences of its employees and contractors.

### Art. 8 Human rights

In carrying on business KONG supports and respects human rights and promotes their implementation within its sphere of influence.

KONG shall not participate in or be privy to any abuse of human rights, whether directly or indirectly.

### Art. 9 Conflict of interests

1. In carrying on business KONG works in such a way as to avoid conflicts of interest, either actual or potential.
2. In carrying out their functions all employees and contractors must conduct themselves in such a way as to pursue the objectives and overall best interests of the company; accordingly employees and contractors must refrain from all activities, conduct and actions that are in any way inconsistent with the duties arising from their relationship with KONG.

### Art. 10 Transparency

All acts performed and conduct engaged in by persons to whom this Code is addressed in the performance of their functions must be carried out in a clear and transparent way, in order to ensure:

- that the interests of those persons or of third parties are not pursued to the detriment of the interests of KONG;
- that there is no improper exploitation, whether in the interests of those persons or of third parties, of the name and reputation of KONG or of information obtained or work opportunities coming to their notice in the performance of their functions;
- that property and equipment made available to them for the performance of their functions is not used for any extraneous purpose.

### Art. 11 Honesty

All acts performed and conduct engaged in by any of the company's employees or contractors in relation to other stakeholders must be undertaken in a spirit of transparency, propriety and mutual respect as well as both formal and substantial legality, so as to ensure that neither they nor other



## Legislative Decree No. 231 of 2001 ETHICAL CODE

persons exert or are subjected to pressure or give or receive recommendations or information which could be the occasion of detriment to KONG or of any undue advantage for themselves, the company or third parties.

### Art. 12 Confidentiality

1. All acts performed and conduct engaged in by any of the company's employees or contractors in the performance of their functions must be carried out in such a way as to ensure the utmost confidentiality in relation to news and information concerning the business of KONG. Any such information may only be used for purposes connected with that business and in accordance with the relevant procedures of the organisation.
2. All information lawfully disclosed must be complete, transparent, comprehensible and accurate.

## PART III RULES OF CONDUCT

### Art. 13 Customer relations

KONG undertakes:

- to respect, in the design, manufacture and marketing of its products, all statutes and regulations applying in relation to performance, safety, and the qualitative and organisational standards set by its Quality System;
- to treat all users of the training services provided by it with respect and dignity; no one may be subjected to harassment or abuse, whether physical, sexual, psychological, moral or verbal, or be discriminated against on the grounds of race, culture or religion.

### Art. 14 Dealings with government authorities

1. In its relations with government authorities KONG aims at the utmost transparency and propriety. In particular all necessary relationships are undertaken with respect for their roles and functions as conferred in accordance with the law, and in a spirit of unreserved cooperation.
2. Relations with public officials must be conducted only through persons and departments of the company specifically appointed and authorised for the purpose. They must be conducted with the most rigorous compliance with the provisions of the relevant statutes and regulations and must not in any way compromise the integrity and reputation of KONG.
3. KONG undertakes:
  - to deal with all public officials through the channels of communication established for the purpose;
  - to represent its interests and views in a transparent, rigorous and consistent manner, avoiding attitudes that may savour of collusion.
4. KONG forbids its employees and contractors to falsify, alter or omit data and/or information in order to obtain an undue advantage or any other benefit for the company.



## Legislative Decree No. 231 of 2001 ETHICAL CODE

5. The Supervisory Panel of KONG, in exercising its powers, must carry out all procedures of control, monitoring and auditing necessary to check the adequacy and ensure the application of the Model of Organisation, Management and Control as concerns the rules of conduct governing relations with public authorities.

### Art. 15 Relations with staff and contractors

KONG undertakes:

- to engage staff by means of a regular contract of employment, and not allow any form of irregular working or employment arranged in contravention of the legislation governing employment, taxation or social security;
- not to make use of forced or bonded labour;
- not to employ workers of an age lower than that provided in the legislation on protection of under-age workers;
- to treat all employees and outside contractors with respect and dignity, and not allow anyone to be subjected to harassment or abuse, whether physical, sexual, psychological or verbal;
- to respect the right of workers to associate freely and enter into collective contracts.

### Art. 16 Relations with suppliers

KONG undertakes:

- to select its suppliers using suitable organisational procedures, which must be transparent, certain and non-discriminatory and apply criteria relating to the quality of the services and products offered and their competitiveness;
- to purchase goods and/or services on the basis of the valuation of the product or service offered and of any guarantees of assistance, punctuality and efficiency.

### Art. 17 Prevention of unlawful conduct

1. KONG, in keeping with its values of honesty and transparency, will implement all measures necessary to prevent and avoid the commission of unlawful acts.

In particular, it prohibits:

- the payment of sums of money or the exercise of other forms of corruption for the purpose of procuring direct or indirect advantages for the company;
  - the acceptance of gifts or favours from third parties in excess of the normal rules of hospitality and courtesy.
2. The Supervisory Panel of KONG, in exercising its powers, must carry out all procedures of control, monitoring and auditing necessary to check the adequacy and ensure the application of the Model of Organisation, Management and Control.

### Art. 18 Avoidance of conflicts of interest



## Legislative Decree No. 231 of 2001 ETHICAL CODE

1. KONG does not allow its employees and contractors to be involved in relationships which could lead to conflicts of interest with their role in the organisation. This rule applies both in the case where an employee or contractor pursues an interest extraneous to the objects of the company or takes a personal advantage of a business opportunity for the company, and in the case where representatives of customers or suppliers or public authorities act contrary to the duties of trust attached to their position.
2. The Supervisory Panel of KONG, in exercising its powers, must carry out all procedures of control, monitoring and auditing necessary to ensure that conflicts of interest have not arisen.

### Art. 19 Gifts and other benefits

1. KONG does not allow its employees and contractors to offer or receive in their own capacity, whether directly or indirectly, money, gifts or benefits of any nature to or from managers, officials or employees of customers, suppliers, government bodies, public authorities or other bodies for the purpose of obtaining undue advantages or of influencing the independent judgement of the recipient.
2. Furthermore, favours to representatives of government bodies or public officials such as complimentary gifts and hospitality are only allowed if they are of moderate value and of a kind that could be considered usual in regular practice and will not compromise the integrity or reputation of the recipient or influence his or her independent judgement.  
In any case expenses of this kind must always be authorised in accordance with specific company procedures and adequately recorded and documented.
3. The Supervisory Panel of KONG, in exercising its powers, must carry out all procedures of control, monitoring and auditing necessary to ensure that these procedures are respected.

### Art. 20 Other forbidden conduct

KONG expressly forbids its employees and contractors:

- to engage in conduct contrary to law or which could become so;
- to give or offer, whether directly or indirectly, aid or contributions, payments or material benefits to public employees or public officials to influence or reward the exercise of an official function and secure an advantage of any kind for the company;
- to confer other advantages of any kind on public employees or public functionaries;
- to take advantage of their role in the engagement or remuneration of staff to confer direct or indirect advantages on public employees or public officials;
- to make untrue statements to any government authority;
- to use any amounts received from government authorities by way of grants, contributions or finance for purposes other than those for which they were granted;



## Legislative Decree No. 231 of 2001 ETHICAL CODE

- to issue purchase orders other than in response to a specific need and for good reason, or otherwise than as authorised on the basis of the functions allotted to them;
- to allow remuneration to consultants and suppliers that is not justified having regard to the nature of the services to be provided and the applicable market rates.

### PART IV HEALTH AND SAFETY AT WORK

#### Art. 21 Ensuring health and safety at work and good working conditions

1. Maintaining good working conditions is of great importance to KONG, and KONG must safeguard the physical safety and mental well-being of employees and contractors.  
Accordingly KONG undertakes to ensure working conditions including respect for personal dignity and for the principle of fair remuneration.
2. In accordance with Legislative Decree No. 81 of 2008 (“Consolidated statutes on safety in the workplace”) KONG undertakes to carry out and periodically update the risk assessment for health and safety at work and to implement the necessary measures for the purpose of eliminating or minimising such risks.

### PART V PENALTIES FOR BREACH

#### Art. 22 Breach of provisions of this Code

1. Any breach by employees and contractors of the principles and provisions of this Code must be promptly notified to the Supervisory Panel by any person who becomes aware of it.
2. A notification of breach shall only be considered by the Supervisory Panel if it contains sufficient information to identify the nature of the breach and allow the Panel to carry out the necessary investigation.  
KONG will not tolerate any kind of victimisation for a notification made in good faith.
3. The Supervisory Panel shall inform the Chairman and the employees and/or contractors concerned of the notification of breach and shall in good time institute an internal investigation.
4. The employees and contractors of the company must cooperate with all internal investigations carried out by the Chairman or any person appointed by him into breaches of the Code and conduct contrary to the provisions of the Code and the Model.
5. At the conclusion of the investigation the Supervisory Panel must in good time inform the Board of Directors of any breach of the Model which it considers to be significant.
6. In the event of a breach of the provisions of the Ethical Code and of the Model of Organisation, Management and Control, the Chairman or person appointed by him shall, if he considers it necessary to protect the interests of KONG, and consistently with the provisions of the applicable legislation, impose on the employees and/or contractors responsible for the breach the penalties provided by the Model of Organisation, Management and Control.



## Legislative Decree No. 231 of 2001 ETHICAL CODE

### Art. 23 Penalties

1. As concerns employees, compliance with the provisions of the Ethical Code and the Model of Organisation, Management and Control shall be treated as an integral part of their duties under their contracts of employment, as taken on by them in accordance with article 2104 of the Civil Code; accordingly, conduct in breach of the rules of conduct in the Code and the Model shall be treated as breach of their basic terms of employment and may also be treated as disciplinary offences, in accordance with the applicable special provisions (in particular the National Collective Labour Agreement) and the procedures in force for that sector (article 7 of the Employment Code).

Penalties of the nature and amount provided by the contractual provisions in force shall be imposed, taking account of:

- whether the conduct in question was deliberate, or the level of negligence, imprudence or lack of skill shown;
- the overall behaviour of the employee, with particular regard to whether or not there have been previous disciplinary proceedings;
- the position in the organisation and the functions of the employee concerned;
- any other special circumstances accompanying the breach which may be relevant.

2. As concerns long term contractors, independent workers and outside contractors in general, whatever the nature of their relationship, whether permanent or temporary, with KONG, breach of the provisions of the Ethical Code and the Model of Organisation, Management and Control may, if the case requires, amount to breach of contract, with all the legal consequences that entails, up to and including the discharge of the contract and/or engagement, and may give rise to liability to damages for any loss incurred by KONG.

3. As concerns Directors and Auditors, the Chairman and/or the Board of Directors shall obtain the required information and each time adopt the most suitable protective measures among those provided by the legislation in force.

4. As concerns members of the Supervisory Panel referred to in Legislative Decree No. 231 of 2001, the provisions concerning contractors, as set out above, shall apply.

### PART VI FINAL PROVISIONS

#### Art. 24 Approval of Ethical Code

This Ethical Code has been approved by the Board of Directors following the proposal of the Chairman of the Supervisory Panel.

Any updates made necessary by changes in the relevant legislation or by developments in public sensitivities shall be approved by the Board of Directors and notified in good time to all employees and contractors.



Legislative Decree No. 231 of 2001  
ETHICAL CODE

Monte Marengo, 8 October 2013

Chairman of Board of Directors  
Marco Bonaiti