



ETHICAL CODE

**(CORE VALUES
& OPERATING GUIDELINES)**



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1. Introduction

This “Ethical Code” (hereinafter referred to as the “**Code**”) describes the core values, the moral attitude, the commitments and the relevant ethical behaviour which constitute a key pillar of the arena Company (hereinafter referred to as “**arena**” or “**Company**”). Compliance with this code is requested by arena to all its staff, disciplining and guiding the way they have to conduct the business and any other related task or operational activity.

The Code also governs the rights, duties and responsibilities expressly exercised and undertaken by arena in relation to third parties within the course of its business operations.

The Code, in its entirety and in conjunction with any implementation procedure approved by arena and in force, shall be considered ethically binding for all the staff. Any violation of the Code may result in sanctions, pursuant to and in accordance with local applicable laws and with the national employment contract in force.

With regard to external partners, consultants and professionals working for arena, the signature of this Code or of an excerpt thereof (see Exhibit 1), or in any case the adherence to the provisions and principles herein, represents an essential condition for the validity of the contracts between arena and such parties. For this reason the provisions of this Code shall constitute an integral and essential part of the relevant contracts in place with each third party.

Based on the above, any violation of specific provisions of the Code by third parties, may, depending on their severity, entitle arena to lawfully cancel contract relationships with the above recipients of the Code and may also constitute cause for immediate termination of the relevant contract.

2. Arena Core Values

The core values which inspire arena are the key pillars of its culture. Over the years this culture, in conjunction with the high standards of its products, have made the arena brand renowned and appreciated all over the world. These values shall in any moment guide both the arena people and the companies or entities working or willing to have business relations with or on behalf of arena. Compliance with these core values shall be the only way to make business in a sustainable way, respecting consumers, customers, business partners and the environment:

1. **Respect:** human resources are the greatest and most precious asset of arena; accordingly, arena promotes a strong moral rigour and the drive towards constant self-perfection, based upon respect for dignity of everyone’s actions;
2. **Equality:** arena does not discriminate by ethnic origin, gender, marital or maternity status, religious or political beliefs, age, sexual orientation, geographical origin;
3. **Equal opportunities:** arena makes the utmost efforts to attract, recruit, motivate and retain the best world-wide talents, granting them equal development and career opportunities, truly valuing their contribution;
4. **Passion:** passion for success, for active individual contribution, for excellence: arena values create the perfect framework for its passion so that it will be able to achieve its mission.
5. **Commitment:** arena believes in work and makes the utmost so that arena people are committed to building a consistent and courageous path of personal and professional development, in the quest for rapid solutions and experience-driven pragmatism that are all part of the art of getting by. Maximum commitment and the utmost energy are required to underline the value of each individual and the moral



capital that each person represents and makes available to the Company first and to the whole community more in general;

6. **Meritocracy:** arena is fully committed to select, develop and promote human resources exclusively based upon their professional performance (i.e. the actual contribution that they give in the respective jobs and assignments to the achievement of their own tasks, responsibilities, projects and goals) or, in other words, based upon the “value” they actually create for arena;
7. **Correctness, transparency and fairness:** arena is fully committed to recognize and highlight the value of the ethics of those who pursue fairness and transparency in the way that they conduct their professional lives and the business operations they are in charge of, whilst strongly stigmatizing those who prefer to sail in the murky waters of compromise.

Moreover, the process of value creation and its fair distribution among the relevant contributors must be considered a fundamental value by everyone. It must be founded on real and transparent rules and on a very effective information flow, which shall never be manipulated by anyone whose interests are in conflict with the long-term development of the Company.

3. Adoption of the Code and recipients

This Code has been approved by the Board of Directors of all the subsidiaries which are part of the arena Company. It is intended for the Recipients of the Code: corporate bodies and their members, employees, workers (including temporary ones), consultants, external partners of any kind, individuals and companies with power of attorney as well as any other third party who may act in the name and on behalf of all the subsidiaries of the Company (hereinafter “**Recipients of the Code**”).

Each Recipient of the Code shall carefully examine its content and undertake to comply with the provisions of the Code made available to them, as indicated hereunder.

The Code will be made available as follows: arena management shall ensure that the Code is actually implemented and divulged, both within and outside arena, as the case may be. arena employees, in addition to the compliance with regulations in force and provisions of collective bargaining agreements, shall perform their duties so that they fully comply with the aims and provisions of this Code. All the above shall apply to relations inside the Company, as well as to relations with external partners and in particular with the Public Administration (hereinafter also referred to as “**PA**”) sector and other public authorities. The compliance of external partners and other third parties with the principles and the provisions set forth by this Code is a fundamental requirement for a fair, respectful and profitable business relation with arena. In this regard, arena will deliver this Code (or a significant extract thereof) to external partners as well as to any other third party, when entering into any kind of commercial contract, agreement and/or engagement.

4. Guidelines and operating principles

4.1 The value creation approach

arena carries out its business and all related activities aware of its moral and social responsibility towards its stakeholders (employees, shareholders, clients, suppliers, communities, business and financial partners, institutions, etc.). arena strongly believes that its first and predominant objective is to create value for the shareholders, the customers and the whole community in which arena operates. This value creation process must go hand in hand with adhering to specific values, as well as to current regulations, always acting with honesty and integrity, setting the ground for a fair competition, impartially and in good faith.

4.2 Consumer-oriented business model



arena is committed to provide athletes with best-of-breed products to enhance and support their performance, so that they can be ambassadors of arena in the world, regardless of the existence of sponsoring agreements. The same goes for customers and consumers, which expect their needs to be fully satisfied, so that arena can effectively deliver to them products with high technological content, outstanding quality and fit and good value for money, together with a superior customer service level.

4.3 The value of people

Each individual has great value. This is why arena attributes a very high level of importance on recruitment, training, development and reward of each individual, encouraging team spirit and team building, while also putting a strong focus on personal dignity, tolerance, transparency and safety.

4.4 Quality

Our customers, as well as the final consumers, expect from our product the highest quality standards. We are strongly committed to deliver such outstanding quality not only with respect to our products, but in all our activities and operations, in line with our morally driven/long-term oriented strategy.

4.5 Integrity

Each individual shall properly deal with assigned tasks and responsibilities delivering results in line or above the relevant job profile or the specific expectations set for each assignment and be able to prove at any time to be able and strongly committed to operate with integrity and to devote the utmost focus and efforts to provide an example. The laws, regulations and policies by which arena operates shall be always respected by everyone.

4.6 Innovation

Innovation is a key driving factor for the survival and the future growth of arena. Each employee, and particularly those involved in Marketing and Design & Development activities, has to contribute to arena innovation power. This means to be able to learn from world-wide best practices, knowing how to take risks and being able to benchmark with others, in order to constantly overcome the *status quo* and set a new "state of art" in each relevant field of activity.

4.7 Exploitation of cultural diversity

arena is fully committed to take the highest advantage from its global diversity by truly leveraging its multicultural approach. International synergies give arena a competitive edge. Working in teams across national boundaries and encompassing different functions is vital to create a climate that allows employees to express their full potential.

4.8 Social accountability

Arena operates taking into account society's needs, therefore actively contributing to the economic, social and civil development of the communities in which it works.

5. Code of conduct

The rules of conduct set out in this section indicate the conduct that the Recipients of the Code shall adopt when carrying out any activity in accordance with the values underlying this Code.

These rules are divided into categories, based on the different parties arena deals with.

5.1 Arena people



5.1.1 Fair and transparent conduct

Managers, employees and all people who, regardless of the legal status of their relationship with arena, work under the management or supervision of arena, shall behave fairly and transparently in the course of their duties. In compliance with legal provisions, they shall cooperate fairly, efficiently and effectively with partners, shareholders, Board of Statutory Auditors, other external auditors, other company bodies and monitoring authorities, in accordance with the law.

5.1.2 Personnel recruitment, development and training

arena recognises the fundamental value of human resources and believes that the professional contribution of people working for a company, in loyal and fair conditions, is the main driving factor for its success. During personnel recruitment, employment and career development, arena therefore carries out appraisals based exclusively on whether candidate's profiles match required ones and using transparent, merit policies. The way arena manages human resources is such to guarantee equal opportunities and to promote the professional development of each employee.

arena does not and will never discriminate on the basis of ethnic origin, religion, national origin, age, disability, sex or other traits protected by applicable laws.

In addition, arena is committed not to give any preference/priority to candidates recommended by third parties (particularly if coming from the public administration sector), or by customers/suppliers.

As part of its personnel training processes, arena provides specific orientation sessions to give accurate and detailed information about particularly sensitive areas, such as occupational safety, including managing emergencies in the workplace and fire prevention, as well as the use of VDUs and other electronic equipment.

5.1.3 Safety of workers and of the environment

arena considers the safety of workers and environmental protection as a key priority. All employees are involved in and are required to take an active part in monitoring safety conditions, preventing risks in the workplace and protecting the environment.

arena is fully committed to take care of the health of its employees, its staff, clients and communities involved in its activities. arena commits itself to reduce environmental impact, in order to preserve the environment in which it operates. The operating and commercial activities of arena shall be carried out in such a way to fully comply with regulations in force and with company directives concerning the protection of workers, prevention measures, occupational safety and environmental protection.

5.1.4 Obligations for all employees

Each employee shall be fully aware of the provisions set forth by this Code or referred to herein and of legal regulations which govern activities carried out as part of their function and which constitute an integral part of their work.

Employees who become aware of any alleged unlawful conduct shall report said conduct only to their superior.

All employees shall also:

- refrain from engaging in conducts which violate the above provisions of this Code and regulations;
- ask his/her direct supervisor for any clarification he/she needs, concerning procedures to apply the Code or reference regulations;
- promptly report to his/her direct supervisor any information about violations of the Code;
- cooperate with arena in the event of any investigation to verify and sanction alleged infringements.

Moreover, we condemn all forms of harassment (sexual, racial, etc.) and abuses of power, and affirm that those who work at arena have the right to personal respect and human relations that meet the standards of professional and social behavior.

With specific reference to sexual harassment, it is an unwelcome, unsolicited and unreciprocated conduct with a sexual component which offends, intimidates, embarrasses or humiliates a person. It has nothing to do with



mutual attraction, consensual romantic involvement or friendship. Such conduct can be in the form of words or actions, including circulating or displaying written or pictorial material that is sexually offensive or belittling in any form, including print, email, text messaging and, where specifically directed toward a person, on social networking websites.

Sexual harassment involving a physically violent and/or coercive component such as physical molestation or assault, persistent following or stalking, indecent exposure, and obscene communications in any media, may be considered sexual assault and possibly a criminal offence.

Established cases of sexual harassment will be considered serious misconduct and infringement of this Code.

5.1.5 Additional obligations for arena Management

Each Manager shall:

- ensure his/her subordinates comply with the Code;
- conduct the business and manage the assigned people in an exemplary manner;
- take action so that employees understand the provisions set out in the Code which constitute an integral part of their work;
- recruit employees and staff that undertake to comply with the principles set out in the Code;
- promptly inform the arena Management of any information or requirements reported by his/her subordinates;

Failure by arena Management to comply with the obligations set forth in this article may result in disciplinary sanctions.

5.1.6 External effectiveness of the Code

Any person, acting in the name of and on behalf of arena, that deals with third parties with whom arena has or intends to establish business relations or with whom arena has institutional, social, political or any other kind of relations, shall:

- inform said parties about the commitments and obligations required by the Code;
- ensure that said parties comply with obligations of the Code in the course of their activities;
- take necessary internal measures in the event said parties refuse to comply with the Code or fail either wholly or partially to comply with the provisions set forth by the Code.

5.1.7 Use of company assets

All arena employees are required to act diligently to protect Company assets, conducting themselves responsibly and according to Company policies.

All arena employees are responsible for safeguarding the Company assets assigned to them in their work and shall use said assets appropriately and in line with arena interests, refraining from unreasonable or inappropriate use of said assets by third parties.

5.1.8 Conflicts of interest

All arena employees shall ensure that every decision made in the course of their duties is in the supreme interest of arena.

All arena employees shall refrain from any activity or situation of personal interest which constitutes or may constitute, even only potentially, a conflict between their individual interests and the supreme interest of arena, and in any case, shall follow specific policies on conflicts of interest.

arena employees shall refrain from using their position within arena in order to pursue their personal interests or those of third parties to the detriment or disadvantage of arena.

arena employees are not allowed to take part either directly or indirectly, for any reason whatsoever, in business initiatives which compete even potentially with arena, unless said involvement has been previously notified in writing to and approved by the Board of Directors (or other equivalent company body).



In accordance with the principle of utmost transparency for stakeholders, each Recipient of the Code shall use the highest rigour in evaluating these situations.

In the event that conflicts of interest, including potential ones, are identified both within arena and externally, each individual shall refrain immediately from the related activities.

5.1.9 Competition

Operating in a market based on fair competition is essential for arena. arena is therefore committed to strictly comply with laws on fair competition and free-market regulations.

Should any arena employee disclose any information concerning prices, product development projects, sales data, market studies and any other information owned exclusively by Arena or any other confidential information in favour of direct or indirect competitors of arena, the aforesaid disclosure may be construed as a breach of contract or as an unlawful act, as the case may be, and may create liability towards arena in accordance with current regulations on competition.

arena is fully committed not to act unlawfully or unfairly, in order to obtain commercial secrets regarding clients or suppliers. In addition, arena does not recruit employees directly from competitor companies with the sole purpose of obtaining confidential information, nor does it encourage the personnel or customers of its competitors to disclose confidential information.

5.1.10 Gifts and benefits

Gifts of any kind, which may be interpreted as exceeding standard business practices or forms of courtesy, or which are intended as a mean of gaining beneficial treatment in the course of any activity attributable to arena, are not permitted.

Said rule – which does not allow for any exceptions, even in countries where offering valuable gifts to business partners is a standard practice – refers to gifts that are pledged, offered and/or received, with the term gift referring to any type of benefit. arena does not carry out practices which are not permitted by law, by business practices or codes of ethics, if known, of companies or organisations it has relations with.

In any case, offers of gifts by arena – save for gifts of a modest value – shall comply with the rules hereunder:

- under no circumstances may gifts be offered to members of the PA, officials, parties appointed to carry out public services or officers from the public sector;
- in case of gifts intended for parties not listed above, the offer:
 - shall be previously notified to the manager of the function involved and to the CFO for prior approval;
 - shall be adequately documented, to allow any suitable verification.

5.1.11 Fairness, lawfulness and transparency in all operations and commercial activities

All operations and/or activities shall be lawful, authorised, documented, verifiable, in compliance with arena procedures, according to criteria of prudence, transparency and protection of the supreme interest of arena. All staff carrying out operations involving sums of money, assets or other benefits which may be economically valued, belonging to arena, shall reasonably provide suitable evidence to allow for said operations to be verified.

5.1.12 Accurate and transparent accounting

The accounting practices of arena comply with general principles based on the veracity, accuracy, completeness and transparency of recorded data. Recipients of this Code shall refrain from any act or negligent omission that directly or indirectly infringe the regulatory principles and/or internal procedures relating to how accounting documents are prepared and represented outside arena. In particular, the Recipients of this Code shall cooperate so that all operations and transactions are promptly and properly recorded within arena accounting system, according to criteria laid down by the law and by applicable accounting standards and are duly authorised and verified, where applicable.



The Recipients of this Code are also required to keep and make available adequate supporting documentation for each operation or transaction carried out, to allow for:

- accurate accounting entries;
- immediate identification of relevant motives;
- easy formal, chronological reconstruction;
- verification of the decision-making, authorisation and implementation process, in terms of legitimacy, coherence and adequacy, as well as identification of various levels of responsibility.

The Recipients of this Code who become aware of any omission, false data or negligence relative to accounting records or supporting documentation shall promptly report the relevant information to their superior.

arena promotes training and professional development programmes in order to inform the Recipients of this Code about rules (legal provisions or regulations, company provisions, provisions of trade associations) governing the preparation and management of accounting documents.

5.1.13 Internal controls

arena promotes a positive attitude, at all levels, geared towards internal controls. Such positive attitude towards controls significantly contributes to improve company efficiency and effectiveness.

Internal controls refer to all tools adopted by arena to guide, manage and verify its operating and commercial activities, in order to ensure compliance with laws and Company procedures, protect Company assets, efficiently manage operations and provide accurate and complete accounting of financial data.

Each level of the organisational structure shall contribute to the development of an efficient and effective internal control system. For this reason, all arena employees, within the framework of the functions and duties performed, are responsible for proper operation of the control system. Internal controls will be carried out in compliance with the law, particularly with regulations protecting the dignity and privacy of employees.

arena guarantees partners, the Board of Statutory Auditors and other company bodies with powers of control, the possibility to have access to data, documentation and any information which may become necessary to ensure a smooth course of their audit activities.

5.1.14 Accurate and transparent information processing

Staff shall ensure, as far as their knowledge permits, that documents and information provided in the course of their duties are truthful, transparent, accurate and complete.

arena disapproves and steadily acts in a firm way to prevent any conduct which attempts to alter the accuracy and veracity of data and information contained in financial statements, reports or other company notices required by law and intended for partners, shareholders, public control authorities, Board of Statutory Auditors and independent auditors.

All parties involved in preparing the above documents, and in particular the Board of Directors and top Managers of arena, are required to verify, with due diligence, the accuracy of data and information used in preparing the above documents and to provide said data and information promptly.

arena, through its designated bodies and persons, shall ensure the maximum transparency and attention in relations with independent auditors. arena shall guarantee the proper management of confidential information, ensuring that regulations in force and Company procedures are strictly complied with. Staff are required to maintain the utmost discretion with regard to confidential information concerning arena disclosed to them in the course of their duties.

arena, in the course of its activities, shall protect the personal data of its staff and third parties, avoiding any improper use, in compliance with relative regulations and company procedures.

5.2 Shareholders

5.2.1 Sustainable value



arena aims to value share capital and is committed to properly reward investments aimed at making its business operations sustainable in the mid-long term, based on market rules and in compliance with principles of fairness and transparency.

arena protects and acknowledges the prevailing interests of the Company and of all shareholders over the particular interests of single shareholders or groups of shareholders.

5.2.2 Rules of Corporate Governance

arena adopts a Corporate Governance system which conforms with relevant national and international best practices. Corporate Governance defines principles for good management and safeguarding of all shareholders, as well as any other party involved.

5.2.3 Information and dialogue

arena shall ensure that any decision made is fully transparent and aimed at maintaining and developing a constructive dialogue with its shareholders. arena therefore shall give its shareholders any information that could affect investment decisions, according to defined procedures, so that they may make informed choices. arena guarantees that information is correct, clear and may be accessed by all entitled persons to the extent permitted by law and prevents any illegal use of it.

5.3 Business Partners

arena shall ensure that any decision made is fully transparent and aimed at maintaining and developing a constructive dialogue with its business partners. arena therefore shall give its business partners any information that could affect investment decisions, according to the procedures in force, so that they may make informed choices. arena guarantees that information is correct, clear and may be accessed by all entitled persons to the extent permitted by law, and prevents any illegal use of it.

5.4 Customers

5.4.1 Quality, safety, effectiveness

arena shall pay the utmost attention to the quality and safety of its processes, pursuing on-going innovation through continuous investments in research and development, in order to constantly improve the quality and competitiveness of the products offered to clients.

5.4.2 Information and dialogue

arena provides accurate, complete and truthful information to enable its clients to make rational, informed decisions, adopting a communication style based on efficiency, cooperation and courtesy.

5.5 Financial institutions

arena relations with financial institutions shall be based on fairness and transparency, with a view to creating value for arena, its partners, shareholders and all stakeholders. arena therefore shall select financial institutions based on their reputation as well as their adherence to values which are comparable with those set out in this Code.

5.6 Suppliers of goods and services

5.6.1 Business relations with suppliers



arena shall define business relations with its suppliers in compliance with regulations in force and with the principles set out in this Code, paying attention to the best professional standards and best practices concerning ethics, the protection of health, safety and environment (as per the additional “Ethical Code Extract”, attached herein as an integral part of the General Trading Terms & Conditions for Sourcing Operations in force with each and every arena Supplier – see Exhibit 1).

5.6.2 Objective evaluation

Procedures for selecting suppliers for arena shall be based on objective and verifiable reference elements – considering, among others, economic factors, technical capacity, reliability, quality of manufacturing processes and finished products in compliance with quality procedures adopted by arena, as well as social accountancy (see for reference the Suppliers Ranking Matrix hereto attached as Exhibit 2).

In any case, designated functions shall ensure – where possible – equal opportunities for suppliers that meet the requirements indicated. As part of its procedures to select suppliers, arena shall adopt routine monitoring processes to ensure that suppliers continue to meet the above requirements. In relations with suppliers, the Recipients of this Code may not accept payments, gifts or favours that do not meet the conditions set out in article 5.1.10. herein. Recipients of this Code shall however inform the manager of the function involved of offers received in this regard.

Likewise, offering gifts or favours to the above mentioned suppliers that do not meet the conditions as of article 5.1.10 herein, is prohibited.

5.7 The Public Administration (PA)

5.7.1 Fairness and honesty

In relations with the PA sector, arena’s conduct shall be based on principles of fairness and honesty. Persons appointed by arena to conduct any negotiation, submit any request or manage institutional relations with the PA shall not, for any reason whatsoever, attempt to improperly influence decisions, nor adopt any unlawful conduct, such as offering money or other benefits, which may affect the impartial judgement of the representative of the public administration sector.

5.7.2 Employment of former public employees

Save for the provisions of section 5.1.2 above, former public employees that have had dealings with arena in the course of their duties, or their relatives and/or relatives by marriage, shall be employed in compliance with standard procedures defined by arena for personnel recruitment.

Other forms of working relations with former public employees, or their relatives and/or relatives by marriage, shall be governed by relevant standard procedures.

5.8 Public monitoring authorities

The Recipients of this Code shall strictly observe the provisions issued by competent Public Monitoring Authorities or Institutions concerning compliance with regulations in force for sectors related to their areas of activity.

The Recipients of this Code shall also ensure, within the framework of application proceedings with Public Monitoring Authorities and/or Institutions, that applications or requests are not submitted with false declarations in the intent of obtaining public financing, contributions or soft loans, or unduly obtaining concessions, authorisations, licences or other advantages in administrative practices.

The Recipients of this Code shall comply with all requests from the above Authorities or Institutions within the framework of their relative monitoring functions, providing – where requested – complete assistance and avoiding any kind of obstructive conduct.



5.9 Political parties and lobbies

5.9.1 Relations with representatives of political parties and associations

arena shall have transparent dealings (in case of) with all political parties, in order to duly represent its viewpoint on issues and topics of public interest.

arena shall have relations (in case of) with trade associations, trade unions, environmental organisations and similar associations, with the aim of developing its own activities. Top Management or designated functions shall authorise any specific line taken by arena in relation to political parties and/or associations.

5.9.2 Contributions and sponsorship

arena shall make contributions and shall act as sponsor, when necessary or applicable, to support initiatives promoted by public and private bodies and by non-profit making associations, duly established in accordance with law and which promote values which this Code is founded on. Sponsorship and contributions may concern social, political, cultural, sporting and artistic events and initiatives or studies, research work, conferences and seminars covering topics of interest for arena.

5.9.3 Mass-Media

Relations with the mass media are based on the mutual respect for the right to acquire information.

The communication of data and information to external sources shall be truthful, accurate, clear, transparent and shall respect the honour and confidentiality of people, according to arena policies in place. Information concerning arena which is intended for the mass media may only be disclosed by delegated company functions or with the authorisation of said, in compliance with procedures in place.

6. Implementation procedures and monitoring programme

6.1 Communication and training

This Code is divulgated to all internal and external parties involved in the Company mission, through specific communication and training activities.

6.2 Delegation system

arena shall adopt a delegation system on the basis of which certain activities may only be carried out by persons expressly authorised to do so, as they have been granted powers by a specific power of attorney.

6.3 Infringement of the Code and relevant sanctions

In the event of infringement of the Code, arena shall take disciplinary measures against the individual who has infringed the Code, when considered necessary to protect the interests of the company and if compatible with the provisions of regulations in force and employment contracts. Such disciplinary measures may include dismissal, in addition to claims for damages resulting from said infringements.

Failure by members of Company bodies to observe the provisions of this Code may result in competent Company bodies taking the most suitable measures provided for and permitted by the law.

To the extent that the employment agreement enforced between arena and its employees so provides, infringements of the Code by employees shall constitute a breach of their terms of employment, with all contractual and legal consequences, even in relation to the significance of the infringement as a disciplinary wrongdoing.

Infringements committed by suppliers and/or more generally by any other external party having business relations with arena shall be subject to sanctions as provided for in the respective contracts, save for more relevant legal infringements.



EXHIBIT 1: Extract For Suppliers and Distributors

arena is committed to guarantee the highest possible level of integrity in every aspect of its activity and the absolute respect of human rights. For this reason, arena is fully committed to comply with fundamental principles, such as the laws in force, the provisions of the International Labour Organisation, the UN Universal Declaration of Human Rights, the Conventions on the rights of Children, as well as the elimination of any kind of discrimination. For these reasons arena is willing to start and keep alive business partnerships exclusively with those suppliers who share arena commitment to best practices and full accordance to the minimum standards set forth in this Code for the respect of workers' rights and the promotion of their well-being, as well as full respect of the environment and strong commitment to make any possible action to minimize negative impact of whatsoever kind on it, including waste reduction, responsible use of resources. When differences or conflicts in standards arise, arena and its suppliers are expected to apply the highest standard. All these aspects are key in suppliers' evaluation and selection.

Employment relation

arena shall comply with and respect employment rules and conditions, which are not detrimental for employees and are aimed at least at protecting their rights, in compliance with national and international labour and social security laws and regulations.

Non- discrimination

In the framework of the employment relation, no employee nor worker shall be subject to or suffer from any kind of discrimination with regard to hiring, compensation, career development, discipline, termination or retirement based upon gender, race, ethnic origin, religious belief, age, disability, sexual orientation, geographical origin, political belief and social group.

Respect and dignity (no harassment, no violence)

Each employee shall be treated with respect and dignity. No employee shall suffer from any kind of physical, sexual or psychological harassment or violence, nor verbal abuse.

Forced Labour

arena does not use forced labour in any form -- prison, indentured, bonded or otherwise.

Child Labour

arena shall not employ nor use in any other way any worker below the age of 15 or below school-leaving age, whichever is higher.

Freedom of Association & Collective Bargaining

arena must recognize and fully respect the right of employees to collective bargaining and freedom of association.

Health, Safety and Environment

arena shall ensure a safe and healthy working environment in order to prevent accidents and injuries due to or occurring during work or resulting from arena's facilities. arena shall be strongly committed to take any possible action to minimize negative impact of whatsoever kind of environment, which may derive from its activity.

Hours of Work

arena complies with legally mandated work hours according to current national laws. The standard weekly hours of work shall not exceed 48. arena shall provide 24 consecutive hours of rest in every seven-day period. Overtime



shall not be the standard practice nor mandatory, but made on a voluntary and optional basis and fully rewarded at a premium rate. In any case, arena shall require overall no more than 60 hours of work (ordinary and overtime) per week, save under exceptional circumstances.

Compensation

Every worker has the right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. arena shall provide each employee with at least the minimum wage or prevailing wage applicable in its countries for its sectors, whichever is higher; arena shall comply with all the law provisions regarding compensation, while also offering fringe benefits in accordance with law or employment contract. In case compensation is below the minimum level, and does not cover the employees'/workers' essential needs and does not guarantee some discretionary income, arena shall take the appropriate measures so as to gradually reach a satisfactory compensation level.

Confidential communication with arena (reporting grievances)

If you think that your rights are not respected or that your complaint has not been properly dealt with at your workplace and is below your expectations, you can contact arena by e-mail at grievance@arenawaterinstinct.com. All the communications will be strictly confidential. Feel free to write using your mother tongue.

As an essential requisite for running business relations with arena, Suppliers shall implement and integrate the Code of Conduct into the area devoted to arena productions, submit to inspections and monitoring activities, visibly affix the Code of Conduct within the arena production area as well as all the freely accessible areas of the their facilities, in the local languages or in the languages of the employees/workers. Moreover Suppliers shall inform their employees/workers about their rights and obligations, as set forth by arena Code of Conduct at the workplace and in accordance with the local laws in force. Suppliers shall also guarantee compliance by each sub-contractor involved in arena products manufacturing.



EXHIBIT 2: Suppliers assessment

SUPPLIERS RANKING MATRIX

Key performance indicators	KPI Description	KPI Weight
Supplier Collaboration	Overall efficiency/effectiveness (2 way communication, flexibility, reactivity/proactivity, problem solving, making things happen)	16
Technical Competences	D&D competence, implementation skills and lead time for industrial development	14
Manufacturing lead time	Manufacturing Lead-time (time span between order and delivery)	12
Social Responsibility	Sustainable Supply Chain Program Evaluation	16
Cost Competitiveness	Cost competitiveness in comparison with the other suppliers of the same categories	14
Quality	Compliance about arena Quality standard from the bulk productions	14
Customer Service	Customer service level (complete orders/on time delivery)	14

Assessment scale:

9-10	Outstanding
8	Very Good
7	Good
6	Satisfactory
5	Unsatisfactory
0-4	Phase Out