



## **DUCATI MOTOR HOLDING S.P.A.**

**A Sole Shareholder Company**

**A Company subject to the Management and Coordination activities of AUDI AG**

# **Code of Conduct for Ducati Partner**



## Introduction

Ducati Motor Holding S.p.A. ("Ducati" or "Company") not only manufactures and markets high quality products but it does so in a way that reflects the commitment of Ducati and its subsidiaries to conduct its business activities in full compliance with applicable laws and to be guided by integrity and honesty, in the respect of the expectations of the entire Audi and Volkswagen Group, which Ducati belongs to.

In general Ducati supports and encourages operating practices that are sustainable, as specified in the paragraphs below. Sustainability is deemed to make a significant contribution towards any company's success and to safeguard its future development; and is an integral part of Ducati's supply strategy and supplier development.

Ducati expects similar behavior from all parties that it deals with as business partners, especially from Ducati suppliers, and particularly where human rights, health and safety at work, environmental protection and combatting corruption are concerned.

The Code of Ethics of Ducati and the Organizational and Management Model adopted by Ducati in accordance with the Italian Legislative Decree no. 231/2001 (to which the Code of Ethics is attached), already prescribe the Ducati values and principles.

The present Code of Conduct for Ducati Partner ("the Code") specifies and helps the continued implementation of the Ducati Code of Ethics by establishing certain minimum standards that Ducati asks its suppliers - including their employees, agents and subcontractors that it is the suppliers' responsibility to educate - to respect and to adhere to when conducting business.

It is specified that if the business partner of Ducati is party of a contract agreement as contractor, Ducati requires such contractor also to fulfill all the obligations provided by the applicable law for contractors and sub-contractors.

This Code is therefore address to all Ducati suppliers with the goal of strengthening the mutual understanding of how sustainability should be practiced in day-to-day business. Ducati expects the suppliers to continuously strive towards improving the efficiency and sustainability of their operations.



## **1. Environmental protection**

Ducati manufactures and markets high quality products and takes responsibility for continually improving the environmental compatibility of its products as well as for reducing the demands made on natural resources, whilst taking economic factors into account. It is therefore a matter of course for Ducati that its business partners comply with all applicable environmental legislation and regulations in all countries in which they operate.

### *Creation and application of environmental management system*

Environment-oriented management is one of the main objectives of the corporate policy. Ducati therefore expects all business partners with production sites to have a suitable environmental management system. In addition, Ducati expects its main suppliers to have a certified environmental management system in accordance with international standard ISO 14001 (that Ducati has obtained) or the EMAS Directive of the European Union.

### *Active approach to ecological challenges*

Ecological challenges are tackled with due care and with foresight. Measures are taken to ensure that environmental issues are dealt with in a responsible manner. The objective is to develop and disseminate environmentally friendly technologies.

### *Avoidance of damage to health and the environment; products and processes which use few resources and have low greenhouse gas emissions*

Negative impacts on the environment and the health of employees are avoided or kept to a minimum in all activities. The efficient use of energy and materials, the minimisation of greenhouse gas emissions, the use of renewable resources and the minimisation of damage to health and the environment are all considered in the development, manufacture and use of products and in other activities.

### *Waste and recycling*

Avoiding waste, re-using resources and recycling, as well as the safe, environmentally friendly disposal of residual waste are taken into account during the development, production and service life of products, and during the development and execution of production processes and other activities.

### *Training employees*

Employees are instructed and qualified in environmental protection according to their duties, and encouraged to act accordingly.



## **2. Employee rights**

For Ducati, the observance of internationally recognised human rights forms the basis of all business relations. In particular, the following regulations must be heeded alongside the labour law of the country in which the business partner operates.

### *Freedom of association*

The basic right of all employees to form trade unions and employee representations and to join them is recognised. In countries where this right is restricted by local laws, alternative legitimate options for employee participation are to be supported.

### *No discrimination*

Equal opportunities and equal treatment irrespective of ethnic origin, skin colour, sex, religion, nationality, sexual orientation, social origin or political view are guaranteed insofar as they are based on democratic principles and tolerance towards those of a different opinion. In general, employees are chosen, employed and supported on the basis of their qualifications and capabilities.

### *No forced labour*

Ducati rejects the conscious use of forced or compulsory labour including bonded labour and involuntary prisoner labour.

### *No child labour*

Child labour is forbidden. The minimum age for permission to work (according to national regulations) is observed.

### *Compensation and benefits*

The compensation and benefits paid or received for a normal working week correspond at the very least to the legally valid and guaranteed minimum. Where legal or collective bargaining agreements do not exist, compensation and benefits are based on industry-specific collective agreements customary to the respective location that ensure an appropriate standard of living for the employees and their families.

### *Working hours*

Working hours correspond at least to the respective national legal standards or the minimum standards of the respective national economic sectors.



#### *Occupational health and safety*

The partner complies at least with the respective national standards for a safe and hygienic working environment and takes appropriate measures to guarantee health and safety at the workplace so that good working conditions are ensured.

### **3. Transparent business relationships**

#### *Avoiding conflicts of interest*

Ducati's business partners make decisions solely on the basis of objective criteria which are not influenced by personal interests or relationships.

#### *Combatting corruption*

Ducati supports national and international efforts to protect competition from the distorting effects of corruption, and rejects all corrupt practices and forms of behaviour which could damage the company. Ducati expects its business partners to reject and prevent all forms of corruption, including what are known as facilitation payments (payments to speed up the performance of routine tasks by officials). Business partners must ensure that their employees, subcontractors and representatives do not grant, offer or accept bribes, facilitation payments, inadmissible donations or other inadmissible payments or undue benefits to or from customers, officials or other third parties.

### **4. Fair market behavior**

#### *Free competition*

Ducati expects its business partners to comply with valid and applicable competition and antitrust laws. In particular, they will not conclude anti-competitive agreements with competitors, suppliers, customers or other third parties and will not abuse a dominant market position.

#### *Import and export controls*

Business partners comply with all valid and applicable laws when importing and exporting goods and services.

#### *Money laundering*

Business partners only maintain business relationships with partners whose integrity they rely on. They should ensure that the relevant legal provisions regarding money laundering are not violated.



## **5. Legal consequences of violation of these requirements**

Ducati reserves the right to verify the Ducati partners' compliance with the principles of the present Code. In case Ducati becomes aware of any actions or conditions not in compliance with the Code, Ducati reserves the right to demand corrective measures. Failure to compliance with the principles of sustainability will give the title to the automatically termination of any relationships existing between the parties. The ultimate decision lies with Ducati as to whether it is willing to forgo such measures and instead to take alternative action if the business partner is able to prove to Ducati's satisfaction that it has implemented immediate countermeasures to prevent comparable violations occurring in future.