



INALCA FOOD & BEVERAGE

— *Code Of Ethics* —

PREMISE

INALCA FOOD & BEVERAGE – a Limited Liability Company, registered seat in Castelnuovo Rangone, Via della Pace 6/c (hereinafter “**IF&B and/or Company**”) carries out wholesale and retail marketing of food and beverage products of any type and provides distribution services within the “foodservice” in Italy and abroad, also through its controlled companies in Australia, China, Hong Kong, Malaysia, Thailand, Cape Verde, Canary Islands, USA, Mexico and Poland.

IF&B is part of the INALCA Group, because Inalca S.p.A. owns 90% stake in it and together they are part of the CREMONINI Group, while 10% is held by Espansione Tre S.r.l., controlled by the Luciani family.

IF&B, not only respects, in carrying out its activities, the laws and regulations in force in all the countries in which it operates, but also intends to observe high ethical standards, in the daily conduct of its work: such standards, and their inspiring principles, are collected in this Code of Ethics (below “code”). The code integrates the rules of behaviour dictated by the legislator: the simple compliance with the law, while being a fundamental condition, is often not sufficient for IF&B, which pretends that all company decisions and behaviours of its personnel shall be based on ethical rules, even when such ethical rules are not directly regulated by the law. The term “personnel” refers to all the people who work in IF&B, i.e.: employees, directors, auditors and collaborators of any type.

The **code** expresses commitments and ethical responsibilities undertaken by those who, for various reasons, collaborate in the realization of IF&B objectives, towards: shareholders, employees, collaborators, external consultants, suppliers, customers and other subjects. Subjects that, taken together, are defined as stakeholders, because holders of interests connected to the activity of IF&B.

Each person who works in IF&B, as well as in the companies controlled by it, to which the application of the **code** is extended, is obliged to act always respecting the prescriptions contained in this **code**.

Particular attention is requested to Directors, Chief Officers and Managers, as well as to the members of the Supervisory Board, who have the task of supervising the functioning of the **code** and ensuring its updating: these people shall ensure that the principles adopted are constantly applied and maintain a behaviour that is an example to employees and collaborators.

To the Supervisory Board of the Company are assigned the functions of guarantor, i.e. governance and control of the **code**, with the main task of verifying potential violations of the **code** and communicating to the competent authorities the results of the checks for the adoption of adequate penalties.

The **code** is not only available to employees, Directors, Auditors and to the Supervisory Board, but also to customers, suppliers and other third parties who interact with IF&B: in particular, it is brought to the attention of third parties, who receive assignments from IF&B or who have lasting relationships with it, formally inviting them to respect its principles and criteria of conduct, in the context of their relationships with IF&B.

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1. PRINCIPLES OF BEHAVIOUR FOR THE ORGANIZATION

The principles of honesty, integrity, loyalty, mutual respect, good faith and correctness, are considered fundamental and consequently IF&B undertakes to respect them and make them respected towards anyone, with binding value. On the other hand, IF&B claims that these principles are respected by all the parties, internal and external, who have relationships of any kind with IF&B itself.

Respect of laws and regulations

IF&B operates in strict compliance with the law and strives to ensure that all personnel act in this way: people must behave according to the law, whatever the context and activities performed and the countries in which they operate. This commitment shall also apply to consultants, suppliers, customers and anyone who has relations with IF&B. IF&B will not start, nor will continue any relationship with those who do not intend to align with this principle.

Integrity of behaviour

IF&B undertakes to create and supply quality products and/or services and to compete on the market according to the principles of fair and free competition and transparency, maintaining correct relations with public, governmental and administrative institutions, with citizens and with third-party companies. Everyone is required to operate, in any situation, with integrity, transparency, coherence and fairness, conducting with honesty all business relations.

Rejection of any discrimination

In decisions that influence the relations with its stakeholders (choice of customers, relationships with the shareholders, personnel management and organization of work, selection and management of suppliers, relations with the surrounding community and with the institutions that represent it), IF&B avoids any discrimination based on age, sex, sexuality, health status, race, nationality, political opinions and religious beliefs of its interlocutors.

Enhancement of human resources

IF&B recognizes that human resources are of fundamental importance for its own development and consequently guarantees a safe working environment, so as to facilitate the performance of the work and enhance the professional attitudes of every one. The work environment, inspired by respect, fairness and collaboration, shall allow people involvement and empowerment, with regard to specific objectives to be achieved and the ways to pursue them. Human resources are managed considering and respecting, above all, the personality and the professionalism of each person, guaranteeing their physical and moral integrity: the staff shall always behave respecting the people with whom it comes into contact, on behalf of IF&B, treating everyone equally and with dignity. IF&B rejects any form of forced labour, or carried out by persons under sixteen, and does not tolerate human rights violations.

Equity of authority

In the management of contractual relationships that imply the establishment of hierarchical relationships, IF&B undertakes to ensure that the authority is exercised with equity and correctness and that any form of abuse is avoided: precisely, IF&B guarantees that the authority does not become an exercise of power that damages the dignity and autonomy of the person. These values shall be always safeguarded, in making choices regarding the organization of work.

Health, safety and environment protection

From an environmental point of view, IF&B intends to conduct its business and make its investments in a socially responsible and sustainable manner. IF&B is also active to ensure complete and comprehensive communications with the community, taking care of disclosing correct and truthful information regarding its business.

Avoiding unethical behaviours

The behaviour of anyone, person or organization, who try to benefits for its own profit from others collaboration, exploiting positions of strength, is not ethical and encourage the assumption of hostile attitudes towards IF&B.

Correctness of the agreements

Contracts and work assignments must be carried out according to what was consciously agreed between the parties: IF&B undertakes not to exploit conditions of ignorance or inability of its counterparties. Moreover, in existing relationships, it shall be avoided that anyone, acting in the name and on behalf of IF&B, tries to take advantage of contractual gaps or unexpected events, to renegotiate the contract for the only purpose of exploiting the position of addiction or weakness, in which the interlocutor has been found.

Protection of competition

IF&B intends to protect the value of fair competition, refraining from collusive and predatory behaviour and abuse of position. Therefore, all the subjects that in different ways operate with IF&B cannot participate in agreements in contrast with the rules governing free competition between companies.

Valorisation of the investment in IF&B

IF&B operates to ensure that the economic/financial results safeguard and increase the value of its capital, in order to adequately remunerate the risk that the shareholders assume. Moreover, IF&B creates the conditions so that the shareholders may participate in the decisions of their competence being fully informed and aware: to this end, it promotes the equality of information and protects, in addition, the shareholders' general interest against actions taken by individuals to make their particular interests prevail.

Prohibition of operations aimed at money laundering

IF&B complies with the application of anti-money laundering laws, both national and international, in any competent jurisdiction, as well as of laws, regulations and provisions of the competent Authorities in fiscal and tax matters. IF&B requires full compliance with laws, corporate procedures and the code in any economic transaction, including intra-group transactions, ensuring full traceability of incoming and outgoing financial flows and full compliance with anti-money laundering laws. The employees and also third parties interacting with IF&B shall never perform or be involved in activities that imply the laundering (i.e. the acceptance or treatment) of revenue from criminal activities in any form or manner.

IF&B controls in advance the available information (including financial information) on commercial counterparties, consultants and suppliers, in order to ascertain their integrity, their respectability and the legitimacy of their business before establishing business relationships with them.

Transparency and completeness of information

IF&B is required to provide complete, transparent, understandable and accurate information, so that, in setting up relations with the company, the stakeholders are able to make decisions independent and aware of the interests involved, of the alternatives and of the relevant consequences. In particular, in formulating any contracts, IF&B takes care to specify to the contractor the behaviours to be kept in all the foreseen circumstances, in a clear and understandable way.

Protection of personal data

IF&B collects and processes personal data of customers, shareholders, collaborators, employees and other subjects, both persons or legal entities. Those data consist of any information that, directly or indirectly, allow to identify a person and may include sensitive data, such as those that reveal ethnic or racial origin, political orientation, health status or sexual orientation. IF&B undertakes to process such data within the limits and in compliance with the provisions of the current privacy legislation, with specific reference to the Eu. Regulation 679/2016. IF&B personnel who, in the context of its work tasks, process data, sensitive or not, shall always proceed respecting the aforementioned legislation and the operative instructions given in this regard by IF&B itself.

Information processing

Information on stakeholders is treated by IF&B respecting the confidentiality of the subjects. In particular, IF&B:

- defines an organization for the processing of information that ensures the correct separation of roles and responsibilities;
- classifies information by increasing levels of criticality and adopts appropriate countermeasures at each stage of treatment;
- make third parties, involved in the processing of information, sign confidentiality agreements.

2. PRINCIPLES OF BEHAVIOUR TO BE FOLLOWED BY PERSONNEL

Persons, employees, directors and collaborators shall observe the principles listed below, in their behaviour towards IF&B.

Professionalism

Each person carries out his work and performances with diligence, efficiency and correctness, using at best tools and time at his disposal, and assuming the responsibilities related to the fulfilments.

Loyalty

People are required to be loyal towards IF&B.

Honesty

As part of their working activity, people who deal with IF&B are required to be aware of and respect with due diligence the organizational model and the laws in force. Under no circumstances the pursuit of the interests of IF&B can justify a non-honest conduct. IF&B predisposes the appropriate tools to properly inform people, if there are any doubts on how to proceed.

Correctness

People do not use for their personal purposes information, assets and equipment known or assigned to them during / for the performance of their working tasks. Each person does not accept, or perform for himself or for others, pressures, recommendations or warnings that could damage IF&B or provide unfair advantages for himself, for IF&B or for third parties; each person rejects and does not make promises of undue offers of money or other benefits.

Confidentiality

People assure the utmost confidentiality, in relation to news and information constituting the company assets or inherent to the activity of IF&B, in compliance with the provisions of laws, current regulations and internal procedures. Furthermore, people who deal with IF&B are required not to use confidential information for purposes not connected to the exercise of their activity: for example, to carry out the illicit activity of insider trading.

Conflicts of interest

In carrying out their work, people pursue IF&B objectives and general interests, being obliged to avoid and report – on one hand - conflicts of interest between functions / tasks they hold within the structure or the corporate body to which they belong to and – on the other hand - economic or financial activities of themselves, their family members or of third-party competitors in respect of which they are, for any reason, potential stakeholders. They inform without delay their superiors or referents, or the body to which they belong and the Guarantor of the Code of Ethics of situations or activities in which there may be a conflict with the interest of IF&B, by the persons themselves or of their relatives and in any other case where there are significant reasons of personal convenience. People respect the decisions assumed by IF&B in this regard.

3. CRITERIA OF CONDUCT

3.1. RELATIONS WITH THE PERSONNEL

Personnel selection

The evaluation of the personnel to be hired is carried out on the basis of the correspondence of the candidates' profiles, compared to those expected and to the business needs, respecting equal opportunities for all the people involved. Information is requested only with the aim of verifying the features foreseen by the professional and psycho-aptitude profile, respecting the private sphere and the opinions of the candidate. Human resources personnel adopts, in the selection activity, appropriate measures to avoid favouritism and facilitations of all sorts.

Establishment of the employment relationship

Personnel is hired with a regular work contract; no form of irregular work is tolerated. At the establishment of the employment contract, the person receives accurate information regarding:

- characteristics of the function and tasks to be performed;
- salary and applicable laws;
- rules and procedures to be adopted, in order to avoid possible health risks associated with work.

This information is presented to the person in such a way that the acceptance of the assignment is based on an effective understanding of their content.

Personnel Management

People represent the main resource of IF&B. For this reason, IF&B pays particular attention to the enhancement of the individual and its professional growth, entirely based on meritocracy. IF&B undertakes to protect the people moral integrity, ensuring the right to working conditions that respect their dignity. Everyone shall be treated with the same respect and dignity and has the right to the same opportunities for professional and career development. IF&B avoids any form of discrimination against its personnel. With regard to the personnel management and development processes, as well as in the selection phase, the decisions taken are based on the correspondence between expected profiles and the profiles held by people (for example in the case of promotion or transfer) and/or on merit considerations (i.e. allocation of incentives based on the results achieved). Access to roles and tasks is based on skills and capabilities; moreover, compatibly with the general efficiency of the work, are favoured forms of flexibility in the organization of the work that facilitate people in a maternity state, as well as those who must take care of their children. The evaluation of people is carried out in an enlarged way, involving managers, the human resources personal and, as far as possible, the subjects who have entered into a relationship with the person examined.

Integrity and protection of the person

IF&B safeguards employees from acts of psychological violence and opposes any attitude or behaviour that is discriminatory or that may upset people's sensitivity. IF&B undertakes not to exercise any kind of discrimination or harassment towards its personnel. The achievement of individual objectives shall be evaluated fairly, establishing clearly stated criteria, to be used to evaluate people's abilities and their contribution; the results achieved shall be adequately recognized. All persons, within their activities and relationships, are required to respect these principles and to collaborate with IF&B for their protection. Possible claim relating to discriminatory acts shall be immediately forwarded to its own manager and to Human Resources manager, without fear of any kind of retaliation. The person who feels that he or she has been harassed, or has been discriminated due to age, sexuality, race, health status, nationality, political opinions, religious beliefs, etc., may report, in addition to its hierarchical referents, also to the Supervisory Board. IF&B does not tolerate any act of discrimination or harassment: the people who are the protagonists of such acts will incur in disciplinary sanctions, which may even lead to dismissal. Disparities are not considered discrimination only if justified, or justifiable, on the basis of objective criteria.

Communication of personnel policies

The personnel management policies are made available to all people, through company tools: among them Internet, the company Web, institutional documents and communications prepared by managers.

Valorisation and training of resources

Managers use and fully enhance all the professional skills present in the structure, through the activation of the available tools which favour the development and growth of people: for example, job rotation, support given by expert staff, experiences aimed at covering tasks of greater responsibility. In this context, the communication by managers of people's strengths and weaknesses is particularly important, so that they can tend to the improvement of their skills, also through targeted training. IF&B provides people with information and distance training tools, with the aim of enhancing the specific skills and preserving the professional value of the staff. Training is assigned to groups or individuals, based on specific professional development needs; furthermore, with regard to distance training (provided through the Internet, Intranet or CD), not directly assigned, each person can use them, based on his own interests, outside normal working hours. Institutional training is provided at certain stage of the career (for example, for new recruits it is foreseen an introduction to the IF&B activity) and a recurrent training for operational staff.

Management of people working time

Each manager is required to enhance the working time of people, requesting services consistent with the their duties and the work organization plans. It is an abuse of the position of authority to request, as an act due to the hierarchical superior, services, personal favours or any behaviour that constitutes a violation of this **code**.

People's involvement

The involvement of the staff in carrying out the work is ensured, also providing moments of participation to discussions and decisions functional to the realization of the company objectives. People shall participate to these moments in a spirit of collaboration and independence of judgment. Listening to the various points of view, compatibly with the business needs, allows managers to formulate final decisions; staff shall, however, always contribute to the implementation of the established activities.

Changes in the organization of work

In case of reorganization of work, the value of human resources is safeguarded by providing, where necessary, training and/or professional retraining actions. IF&B, therefore, follows the following criteria:

- burdens of reorganizing the work shall be distributed as evenly as possible among all persons, consistently with the effective and efficient exercise of the activity;
- in case of new or unforeseen events, which must be made explicit, the person can be assigned to different tasks, compared to those previously carried out, always safeguarding his professional skills.

Safety and health

IF&B is committed to offering a work environment that can protect the health and safety of its personnel. IF&B is committed to spreading and consolidating a culture of safety, developing awareness of risks and promoting responsible behaviour by all people; moreover, IF&B operates to preserve the health and safety of workers, especially with preventive actions. All persons shall respect internal rules and procedures, regarding the prevention of risks and the protection of health and safety and promptly report any eventual shortcomings or non-compliance of applicable rules. The objective of IF&B is to protect human resources, constantly seeking the necessary synergies not only within the company itself, but also with the other entities belonging to the Group, suppliers, companies and customers involved in the activities of IF&B. To this end, a widespread internal structure - that always monitors the evolution of the scenarios of reference and the raise of possible new threats - establish technical and organizational measures, through:

- the introduction of an integrated risk and security management system;
- a continuous analysis of the risk and of the criticality of the processes and resources to be protected;
- the adoption of the best technologies;
- control and updating of work methods;
- the contribution of training and communication.

Privacy protection

In the processing of personal data of its personnel, IF&B complies with the provisions contained in European Regulation 679/2016 concerning the protection of personal data. People are given a privacy notice that identifies: purposes and methods of processing/timing, any subject to whom the data are communicated, as well as information necessary for the exercise of the right of access, integration, rectification, cancellation, revocation and the possibility to contact a competent authority as per article 13 of the Eu. Reg. 679/2016. Any investigation of ideas, preferences, personal tastes and, in general, the private life of employees and collaborators is excluded if not perpetrated in compliance with the provisions of article 9 of the Eu. Reg. 679/2016.

3.2. DUTIES OF THE PERSONNEL

People must act loyally, in order to comply with the obligations included into the employment contract and the provisions of the code, ensuring the required performances.

Information management

With regard to the security of the information, people shall know and implement the provisions of the company policies, to ensure their integrity, confidentiality and availability. They are required to process their documents using a clear, objective and exhaustive language, allowing any verification by colleagues, managers or external parties authorized to request it.

Confidentiality of company information

Company information and know-how must be protected with the utmost confidentiality. The most significant data that IF&B will acquire or create, during its business, will be considered confidential information and subject to adequate attention: this also includes information acquired from and concerning third parties (customers, professional collaborators or partners, employees, etc.). People who, in the performance of their duties, come in possession of information, materials or confidential documents, shall inform their superiors. It is the managers' responsibility to process and disseminate information with appropriate means, respecting company principles: people not expressly authorized to answer questions or provide materials requested by interlocutors internal or external to IF&B, shall consult with superiors and comply with instructions given in this regard. In case it is necessary to deal with subjects that are important, confidential or of an economic nature, it will be necessary to first make the counterparty sign a confidentiality agreement, drafted according to the company standards or, alternatively, to adopt the necessary measures according to the nature of the treated information. Both during and after the termination of the employment relationship with IF&B, individuals shall use confidential information in their possession exclusively in the interest of IF&B and never for the benefit of themselves or third parties.

Confidential information on third parties

In order to acquire confidential information on companies and third parties, the personnel of IF&B shall refrain from the use of illicit means. Those who, within the framework of a contractual relationship, become aware of confidential information about other subjects will be required to use such information exclusively for the purpose of the same contract. Without proper authorization, people cannot request, receive or utilize confidential information regarding third parties. If people become aware of other person's confidential information - that is not already subject to a non-disclosure agreement or other form of protection - they shall ask their managers in order to receive assistance in treating such information.

Insider trading

Except in case of necessity, linked to the normal conduct of the activities of IF&B and/or third-party companies, individuals will refrain from obtaining data whose utilization can constitute the crime of misuse of confidential information. People who become aware of data of such nature, during their work, are required not to disclose such data to third parties, unless they need to dispose of them for the performance of their duties. People who, during or as a result of their work, become aware of confidential data, on IF&B or on third party companies, are prohibited from trading the securities of these companies, as well as from doing transactions in any way connected with the aforementioned information.

Conflict of interest

All IF&B persons are required to avoid situations in which conflicts of interest may arise and to refrain from personally taking advantage of business opportunities, which they have become aware of during the course of their duties. No one, having a relationship with a person of IF&B, shall be able to take advantage improperly from IF&B, by virtue of his relationship with the person himself. By way of example, but not limited to, the following situations can determine a conflict of interest:

- exercise an activity in competition with those of IF&B, including through family members;
- perform a top management role (CEO, director, head office manager) and at the same time have economic interests with suppliers, customers or competitors (possession of shares, professional roles, etc.), also through family members;
- take care of relationships with suppliers and at the same time perform work activities, even by a family member, with the suppliers themselves;
- accept money or favours from people or companies that are or intend to enter into business relationships with IF&B, or with other subjects belonging to its Group.

Even in the event that the conflict of interest is only possible, the person involved is obliged to inform its own boss who, according to the procedures provided, informs the competent function of IF&B which evaluates case by case the effective existence of the conflict. The person is also required to give information about the activities performed outside the workplace, in case these may appear to be in conflict with the interest of IF&B.

Illicit compensation, benefits, representation expenses

IF&B personnel are forbidden to accept or receive any gift, bonus or other benefit that has a monetary or symbolic value, from suppliers, customers or other entities with whom a professional relationship is in progress. In particular, people shall not accept gifts and services that may affect the actions to be taken in the performance of their job duties. People will also do everything in their power to communicate to the corporate business partners their unwillingness to accept gifts or other benefits. The above cannot be circumvented by using third parties. IF&B persons who receive different gifts or benefits, from those that fall within the permitted cases, are required to notify to the IF&B function, indicated by the established procedures, which assesses their appropriateness and notify the sender the policy of IF&B on the subject.

Use of company assets

Every person is required to act diligently to protect the company assets, through responsible behaviour and in line with the operating procedures set up to regulate their use, accurately documenting their use. In particular, each person shall:

- use with care and parsimony the assets entrusted to them;
- avoid improper use of company assets, which may cause damage or reduce efficiency or in conflict with the interests of IF&B;
- adequately guard the resources entrusted and promptly inform the units responsible of any threats or events harmful to IF&B.

As regards IT applications, every person is required to:

- scrupulously adopt the provisions of corporate security policies, in order not to compromise the functionality and protection of the IT systems;
- refraining from sending threatening or insulting e-mail messages, or from using a low-level language, or from expressing inappropriate comments that may offend people and / or damage the corporate image;
- refrain from surfing on Internet sites with indecorous and offensive content, and in any case not related to professional activities.

IF&B reserves the right to prevent misuse of its own assets and infrastructures, through the use of accounting, reporting, financial control and risk analysis and prevention systems, without prejudice the respect of the applicable laws (law on privacy, statutes of workers, etc.).

Participation in antisocial and criminal activities - Contrast to organized crime

IF&B strongly denounces antisocial and criminal processes and activities and declares its firm intention to have no part in such phenomena. IF&B personnel are prohibited from engaging in relationships of any kind with organizations and elements involved in antisocial and criminal activities, which threaten the society or the life of citizens. In front of extortive questions by antisocial and criminal subjects, people will reject any compromise and abstain from disbursements of cash or other performances. They will immediately inform their managers, for the necessary consultations with the general management of IF&B.

IF&B respects the laws against the organized crime and strongly condemns and fights, with all the instruments at its disposal, any form of organized crime, mafia included.

Particular caution must be used in activities in areas, both in Italy and abroad, historically affected by organized crime phenomena, in order to prevent the risk of criminal infiltration. Particular efforts will be made by IF&B in the verification of the requisites of honourability, respectability and reliability of the commercial counterparts (such as suppliers, consultants, contractors, customers). No commercial relationship will be undertaken or continued with commercial counterparts who are even suspected of belonging to or contiguous to criminal organizations, or who are suspected of facilitating in any form, even occasional, the activity of criminal organizations.

3.3. RELATIONS WITH CUSTOMERS

Impartiality

IF&B undertakes not to arbitrarily discriminate against its customers.

Contracts and communications to customers

Contracts and communications to IF&B customers shall be:

- clear and simple, formulated with a language as close as possible to that normally used by the interlocutors;
- compliant with current regulations and in any case not elusive or otherwise incorrect;
- complete, so as not to neglect any relevant element, for the customer's decision.

Personnel behaviour style towards customers

The style of behaviour of the people of IF&B, towards customers, is based on availability, respect and courtesy, in the perspective of a collaborative relationship and high professionalism.

3.4. RELATIONS WITH SUPPLIERS

Choice of the supplier

Selection of suppliers and formulation of conditions of purchase of goods and services for IF&B is dictated by values and parameters of competition, objectivity, fairness, integrity, ethics, respectability and reputation, impartiality, fairness in price, objective evaluation of the quality of the good and/or service, carefully evaluating the guarantees of assistance and timeliness and the panorama of offers in general. In particular, the existence of such requirements will be verified before the establishment of the contractual relationship with suppliers and subsequently, during the contractual relationship.

The purchasing processes are based on the search for the maximum competitive advantage for IF&B, the granting of equal opportunities to suppliers, loyalty and impartiality: the selection of suppliers and the determination of purchasing conditions are based on an objective evaluation of quality and the price of the good or service, as well as of the guarantees of assistance and timeliness. IF&B undertakes to prepare all the procedures and actions necessary to guarantee maximum efficiency and transparency of the purchasing process, in order to:

- do not preclude anyone, in possession of the required requirements, from being able to compete in the execution of contracts, adopting objective and documentable criteria in choosing the shortlist of candidates;
- ensure sufficient competition in the selection procedures of the supplier, for example by considering at least three companies in the selection process which, where possible, must take place through tenders. Any exceptions must be authorized and documented;
- set up a separation of roles, within the various phases of the overall purchasing process, also maintaining the traceability and documentation of the choices made.

In any case, IF&B reserves the right to request suppliers to certify the following requirements:

- appropriately documented availability of means, including financial resources, organizational structures, design capabilities and resources, know-how, etc.

- existence and effective implementation, in cases in which IF&B specifications provide them, of adequate corporate quality systems (for example, standard ISO 9001).

Integrity and independence in relationships

Relations with suppliers, including those concerning financial and consulting contracts, are constantly monitored by IF&B. The execution of a contract with a supplier must always be based on extremely clear relationships, avoiding, where possible, forms of dependence. Thus, by way of example, but not limited to:

- any contract whose estimated amount is higher than 50% of the supplier's turnover must be communicated to the top managers of IF&B;
- as a general rule, it is necessary to avoid creating long-term binding projects that do not provide a price revision clause aligned with the best competition, otherwise it is better to stipulate short-term contracts;
- as a rule, consultancy contracts are subject to a particular attention, especially in cases where, within the scope of these, there is no provision for an adequate transfer of know-how;
- it is not considered correct to induce a supplier to enter into a contract unfavourable to him, leaving him to understand that in the future a subsequent contract more advantageous will be stipulated. The documents exchanged with suppliers must be appropriately archived: in particular, those of an accounting nature must be kept for the periods established by current legislation.

Protection of ethical aspects in supplies

With the aim of adapting the procurement activity to the ethical principles adopted, IF&B undertakes to introduce, for particular supplies, social requirements such as: the presence of an environmental management system and a complex system of protection of workers. To this end, in contracts with suppliers are included contractual clauses that provide:

- a self-certification by the supplier, regarding the adhesion to specific social obligations: for example, the adoption of measures that guarantee to workers the respect of fundamental rights, the principles of equal treatment and non-discrimination, protection of child labour;
- the possibility for IF&B to carry out control actions, at the production units or operational headquarters of the supplier company, in order to verify the fulfilment of these requirements.

IF&B requires its suppliers of goods and services to fully respect the ethicality, commercial correctness and legality, with particular reference to the laws protecting the consumer, free competition and the market, and laws that contrast the phenomena of recycling and organized crime.

Products and/or services provided shall, in any case, result from concrete business needs, motivated and illustrated in writing by the respective competent managers to assume the commitment of expenditure, within the limits of the available budget. At the end of the relationship and, in any case, before the payment of the invoice, IF&B verifies the quality, adequacy and timeliness of the service received and the fulfilment of all obligations assumed by the supplier, also in compliance with tax law provisions.

3.5. RELATIONS WITH IF&B CAPITAL HOLDERS

Accounting transparency

In order to ensure transparency and completeness of the accounting information, it is necessary that the documentation of the facts to be reported in the accounting to support the registration is clear, complete, correct and archived for possible verifications. The related registration must reflect what is described in the supporting documentation and must specify the criteria adopted in the determination of economic elements based on evaluations.

IF&B shareholders' meetings

The meeting of shareholders is the privileged moment for the establishment of a fruitful dialogue between the owners of the capital and the corporate bodies (Board of Directors) of IF&B.

The corporate bodies are required to accurately prepare, and to promptly disseminate, the supporting material necessary to allow the Shareholders' meeting to take decisions of competence in an informed and aware manner. The regular participation of the corporate bodies (members of the Board of Directors) in the shareholders' meeting is guaranteed.

Protection of social assets

The corporate bodies are required more than anyone to safeguard the company assets giving a virtuous example to all employees and collaborators of the Company. The available resources shall be used in compliance with applicable laws, the article of association and the code, to increase and strengthen the corporate assets, to protect IF&B itself, the owners of the capital, the creditors and the market. To guarantee the integrity of the capital it is forbidden, outside the cases where the law expressly permits, to return, in any form, the contributions or release the members from the obligation to execute them, distribute profits not effectively obtained or intended by law to reserve.

3.6. RELATIONS WITH PUBLIC ADMINISTRATIONS

The term Public Administration means any person, subject, interlocutor qualified as public official or in charge of public service, who works on behalf of the Public Administration, central or peripheral, or public supervisory authorities, independent authorities, community institutions, as well as private partners dealers of a public service.

Correctness and loyalty

IF&B intends to conduct relations with the Public Administration with the utmost transparency and ethical behaviour: these relationships, which must take place in compliance with current legislation, are informed of the general principles of fairness and loyalty, so as not to compromise the integrity of both parts. Personnel must refrain from any behaviour that may adversely affect the impartiality and independence of judgment of the Public Administration. In carrying out operations and in dealing with the Public Administration, people must guarantee the maximum transparency and traceability of the relevant information. Particular caution shall be observed in operations relating to tender procedures, contracts, authorizations, concessions, licenses, requests for funding from public sources (state or community).

In the event IF&B needs to use the professional services of Public Administration employees, as consultants, the applicable legislation must be respected. If, by virtue of the laws in force, subjects apparently acting outside the company can be considered as *longa manus* of companies, the principles contained in this code should also be extended to the latter. IF&B shall not be represented, in relations with the Public Administration, by a consultant or by a third party when conflicts of interest can arise.

Gifts, tribute and benefits

No person of IF&B can provide money, or offer economic advantages or other types of benefits to subjects of the Public Administration, in order to obtain assignments or other advantages, for himself or IF&B. It is not allowed any form of gift that can be interpreted as exceeding the normal business or courtesy practices, or in any case aimed at acquiring favourable treatment in the conduct of any activity related to IF&B: in particular, it is prohibited any form of gift to Italians and foreigners public officials or to their family members, which may influence their independence of judgment in order to obtain more favourable treatment or improper performance or benefits of various kind. A gift means any kind of benefit: not only goods, but also, for example, free participation in conferences, promise of a job offer, etc.. The above cannot be avoided resorting to third parties: in this regard, in fact, are considered acts of corruption not only illicit payments made directly by entities, or by their employees, but also illicit payments made through persons acting on behalf of such entities, in Italy and abroad. IF&B abstains from hiring, as employees or as consultants, former employees of the Public Administration, or their relatives, who have personally and actively participated in a business negotiation, or who have contributed to endorse the requests made by IF&B to the Public Administration, for a period of at least two years, starting from the conclusion of the deal, or from the forwarding of the request by IF&B. In any case, IF&B abstains from practices that are not permitted by law, by commercial practices or by ethical codes of companies and entities with which it has relationships. The gifts offered, except for those of insignificant value, shall be adequately documented to allow controls and authorizations of the function manager, who shall give prior notice to the IF&B responsible function. A copy of the relevant documentation (for example, the transport document) shall be kept in a special folder. If a person of IF&B receives, by a member of the Public Administration, explicit or implicit requests for benefits, except the case of benefits of commercial use and of modest value, he immediately informs his superior or the person to whom it is held to report, for the adoption of appropriate initiatives.

Initiatives that IF&B can take

IF&B, if considers it appropriate, can support programs of public entities intended to create value and benefits for the community, as well as the activities of foundations and associations, always in compliance with current regulations and the principles of this **code**. In case IF&B wishes to make donations of money, equipment or goods, a special procedure is formalized, the basic features of which are indicated below:

- IF&B shall prepare and send a communication to the beneficiary Public Administration body, in which it is expressed the intention to donate a sum of money, equipment or assets;
- the beneficiary organ of P.A. will follow the legislation in force, for the purpose of implementing the donation;
- IF&B, having taken note of the acceptance, will provide all the details of the donation and will execute the compulsory obligations.

3.7 RELATIONS WITH THE COMMUNITY

Economic relations with political parties, trade unions and associations

IF&B does not finance (alternatively, reserves the right to finance within the limits of lawfully admitted amounts) political parties both in Italy and abroad, their representatives or candidates, nor sponsors conferences or parties that have as exclusive purpose the political propaganda (in alternative, reserves the right to make sponsorships of congresses or parties, which have an exclusive purpose of political propaganda, within the limits of the amounts lawfully admitted). IF&B strictly abstains from being subject to any pressure, direct or indirect, from political exponents: for example, it does not accept reports for recruitments, nor does it stipulate consultancy contracts with similar aims. IF&B does not make contributions to organizations with which there may be a conflict of interest (for example, trade unions). However, it is possible to cooperate, even financially, with such organizations for specific projects, subject to the following conditions:

- clear and documented destination of resources;
- express authorization by the designated functions, inside IF&B.

Contributions and sponsorships

IF&B can adhere to requests for contributions limited to proposals from entities and associations declared to be non-profit, with regular article of associations and incorporation acts, of high cultural or charitable value, or which involve a large number of citizens. Sponsorship activities, which may concern social issues, environment, sport, entertainment and art, are only intended for events that offer guarantees of quality or for which IF&B can collaborate in the making, in order to guarantee originality and effectiveness. In choosing the proposals to join, IF&B pays particular attention to any possible conflict of interest of a personal or business nature: for example kinship relationships with people involved or links with organizations that may, for the tasks they perform, favour in some way the activities of IF&B or of the Group to which it belongs. To ensure consistency of contributions and sponsorships, their management is regulated by a special procedure.

3.8 DISSEMINATION OF INFORMATION

External communication

The communication of IF&B towards its stakeholders is based on the respect for the right of information; in no case it is allowed to spread false or biased news or comments.

Each communication activity respects laws, rules, practices of professional conduct and is implemented with clarity, transparency and promptness, safeguarding among other things information that influence the price of financial instruments (price sensitive) and industrial secrets. Any form of pressure or acquisition of favourable attitudes by the media is prohibited. All press releases are available on the IF&B website, so as to allow maximum usability. To guarantee the completeness and coherence of the information, IF&B relations with mass-media are reserved exclusively for the functions in charge.

4. APPLICATION MECHANISMS OF THE CODE OF ETHICS

4.1 Dissemination and communication

IF&B is committed to spreading the **code**, using all means of communication and the opportunities available such as, for example, the company's website (<http://www.inalcafb.it>), meetings of information and training of personnel. All persons shall be in possession of the **code**, know its contents and observe what is prescribed in it. In order to ensure proper understanding of the **code**, the Personal function prepares and implements, also according to the directions of the Supervisory Board, a training plan aimed at promoting the knowledge of the principles and ethical norms. Training initiatives are customized, depending on the role and responsibility of the people; for the new recruits a special training program is provided, which illustrates the contents of the **code** for which compliance is required. The Supervisory Board and the company management are available for any explanation and clarification regarding the **code**. It is the responsibility of everyone, especially the management, to include the contents of the **code** in training programs and to refer to it in all company procedures, policies and guidelines.

4.2 Supervision on the implementation of the code of ethics

The task of verifying the implementation and application of the **code** falls on:

- the Supervisory Board ex lege 231/2001: this organ, in addition to monitoring compliance with the **code**, having for this purpose access to all sources of information of IF&B, suggests the appropriate updates of the **code**, also on the basis of reports received from the personnel;
- Board of Directors;
- Managers and executives of IF&B.

The following tasks are in charge of the Supervisory Board:

- communicate to the Personnel Department, for the purpose of taking appropriate action, reports received regarding the violation of the **code**;
- expressing opinions on the revision of the most relevant policies and procedures, in order to ensure consistency with the **code** of ethics;
- contribute to the periodic review of the **code**, by making the appropriate changes, approving them and submitting them, through the Chairman / CEO, to the approval of the Board of Directors.

4.3 Reporting of problems or suspected violations

Anyone who becomes aware, or is reasonably convinced of the existence of a violation of this **code**, of a specific law or of company procedures, has the duty to immediately inform its manager and / or the Compliance Office: ufficiocompliance@inalca.it.

The report must be in writing and in a non-anonymous form: IF&B implements the necessary precautions to protect the reporters from any type of retaliation, i.e. an act that can give rise to forms of discrimination or penalization (for example, interruption of relations with partners, suppliers, consultants, etc. denial of promotions to employees). For this purpose, the confidentiality of the identity of the reporting party is guaranteed, without prejudice to legal obligations.

The responsibility for conducting investigations, on possible violations of the **code**, is the responsibility of the Compliance Office, which may eventually listen to the author of the report, as well as the person responsible for the alleged violation: the personnel is obliged to fully cooperate in any internal investigations. As a result of this activity, the Compliance Office will report to the Human Resources function and / or to the other competent structures those behaviours that motivate the application of any disciplinary sanctions, or the activation of mechanisms for contractual termination.

Each information flow is addressed to the e-mail box specifically set up by the Compliance Office:
ufficiocompliance@inalca.it

4.4 Disciplinary measures resulting from violations

The provisions of this **code** are an integral part of the contractual obligations assumed by the personnel, as well as by the subjects having business relationships with IF&B. The violation of the principles and behaviours indicated in the **code** compromises the trust relationship between IF&B and the authors of the violation, regardless the role they have: directors, employees, consultants, collaborators, customers or suppliers.

The violations will be prosecuted by IF&B, in the following terms:
as regards to employees, through appropriate disciplinary measures, independently of the possible criminal relevance of the behaviours and the establishment of a criminal proceeding, in cases where the conducts constitute a crime. In particular, the sanctions will comply with rules and logic of the relevant employment contract.

Disciplinary measures range from the recall or warning to suspension without pay, to retrocession and, in most serious cases, to dismissal. Before taking a disciplinary measure, the interested party is given the opportunity to explain his behaviour.

As for consultants, collaborators, customers and suppliers, specific ways of termination of the contractual relationship will be activated.
IF&B reserves the right to claim compensation for damages, IF&B should suffer as a result of the violation, by the aforementioned subjects, of the provisions contained in the **code**.

4.5 Operating procedures and decision-making protocols

In order to prevent violations of current regulations, as well as of the code, IF&B provides the adoption of specific procedures by all people involved in the operational process, aimed at identifying the parties responsible for the decision-making processes, authorization and performance of operations: it is necessary that the each single operations is carried out in the various phases by different persons, whose competences are clearly defined and known within the organization, so as to avoid that unlimited or excessive powers are attributed to single subjects.

5. FINAL PROVISIONS

This **code** has been approved by the Board of Directors of IF&B on 11th October 2017.

IF&B, being the headquarter of companies operating in the trade of agri-food products, submits this **code** to its controlled companies, so that they formally adopt it, as an effective element of the business organization and business management model.

Any variation and / or integration of this **code** will be approved by the Board of Directors, upon the proposal of the Chief Executive Officer after hearing the opinion of the Sole Auditor and after consulting the Supervisory Board and promptly disclosing to the addressees.

The **code** has a fundamental contractual value.

Violations of the principles and contents of the **code** may constitute a non-fulfilment of primary obligations and lead to termination of relationships and compensation for the damages arisen.



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