

**IRCA S.p.A.**



## **CODE OF ETHICS**

Approved by the Board of Directors of IRCA S.p.A. on 16/04/2019

This Code of Ethics has also been approved by every Company which is directly and indirectly controlled by IRCA S.p.A.

First adopted	16/04/2019
---------------	------------

## Table of contents

<b>1</b>	<b>Introduction and purpose</b>	<b>4</b>
<b>2</b>	<b>Sphere of application and dissemination of the Code of Ethics</b>	<b>4</b>
<b>3</b>	<b>Principles</b>	<b>5</b>
3.1	Lawfulness and compliance	5
3.2	Transparency	6
3.3	Integrity	6
3.4	Fair competition	6
3.5	Confidentiality	7
<b>4</b>	<b>Values</b>	<b>7</b>
4.1	The Territory and Community	7
4.2	The Environment	7
4.3	Workers' health and safety	8
4.4	Respect for individuals	8
4.5	Quality	9
<b>5</b>	<b>Application of principles and values</b>	<b>9</b>
5.1	Relations with shareholders	9
5.2	Managing conflicts of interest	10
5.3	Transparency of company accounting	10
5.4	Selection, management and development of human resources	11
5.5	Safeguarding company assets	11
5.6	Copyright protection	12
5.7	Combating money laundering, funding of terrorism and organized crime	13
5.8	Management of Financial Resources	13
5.9	Relations with Public Authorities and Supervisory Authorities	13
5.10	Relations with political and trade union parties, organisations and associations	14
5.11	Contributions and sponsorships	14
5.12	Relations with customers	14
5.13	Relations with suppliers and advisers	15
5.14	Relations with the media	15
<b>6</b>	<b>Dissemination, information and reporting</b>	<b>16</b>

**7 Violations and sanctions ..... 16**

## **1 Introduction and purpose**

IRCA S.p.A. (the “Company”) and the Companies directly and indirectly controlled in Italy and abroad (IRCA Group), in the context of their respective business activities and conduct of their businesses, take compliance with the law and regulations of the countries in which they operate as their guiding principles within a framework of legality, fairness, transparency, confidentiality and respect for human dignity.

IRCA S.p.A. and the Group Companies are committed to reconciling the pursuit of competitiveness in the market with respect for professional integrity and to supporting, with a view to social responsibility and environmental protection, fair and responsible use of resources. They pursue their goals of increasing production and market shares, as well as strengthening capabilities to create value, by providing facilities and processes with adequate standards of secure decision-making and operations required for the development of new businesses, efficient business selection and management mechanisms, and high-quality risk management and measurement systems.

IRCA S.p.A. has therefore decided to incorporate into this Code of Ethics (Code) the principles, values and rules of conduct which are the basis for the correctness of internal and external relations of both the Company and the Group. Furthermore, it ensures that anyone who works in the interests or for the benefit of the Company is made aware of the required conduct and any conduct which is prohibited.

The Code is a reference standard: in fact, where an activity, action or operation is not governed by procedures, work instructions or other prevention protocols, it identifies the principles with which conduct must comply.

This Code of Ethics, which disseminates the principles of the Group's actions, also represents an essential element of the Organization, Management and Control Model adopted pursuant to Legislative Decree 231/2001 and the Company's control system.

## **2 Sphere of application and dissemination of the Code of Ethics**

The following parties are required to comply with the Code of Ethics: the Directors, Statutory Auditors, management and employees of IRCA S.p.A. and of the Group Companies (also known as Internal Recipients), customers, suppliers, advisers and all those who, regardless of the legal status of the relationship, operate in Italy and abroad to pursue the Group's objectives, within the

scope of their own activities and responsibilities (hereinafter also collectively referred as Recipients).

Every Recipient is, therefore, required to read and understand the Code of Ethics, to actively contribute to its implementation and to report any shortcomings and failures to comply with it.

Under no circumstances may a person's claim to act in the interest of one or more Group companies, or in his or her own private interest resulting from their position, justify the adoption of conduct in contrast with the contents of the Code of Ethics.

IRCA Spa and the Group Companies undertake to promote knowledge of the Code of Ethics with all Recipients, constantly monitoring compliance through:

- a) distribution and dissemination to all members of the corporate bodies and organizations and to all employees;
- b) publication on the company network;
- c) translation into 2 languages;
- d) publication on each Group company's website for the benefit of external parties such as suppliers, advisers, institutions, authorities and third parties in general;
- e) inclusion of special termination provisions or clauses or forfeiture of a relation in appointment documents, contracts for consultancy services, collaborative relations, work and supply of goods and services, in the event the obligations arising from this Code of Ethics are violated.

A hard copy of the Code of Ethics will always be available from the General Secretary of each Group Company.

### **3 Principles**

#### **3.1 Lawfulness and compliance**

Recipients are required to comply with the laws and regulations in force in the Countries in which they operate. If there are any doubts about how to proceed, the Recipient must contact the Company's Legal Department which will provide adequate information.

Internal Recipients are also required to comply with corporate regulations since they implement legal obligations.

In all cases, any form of non-compliance with the law, fraudulent behaviour and conduct, corruption and extortion shall not be tolerated, even if they are carried out for the benefit of Group companies and/or are committed indirectly through third-party companies or subjects.

### **3.2 Transparency**

The principle of transparency is based on the authenticity, clarity and accessibility of information. This principle must be observed in relations with internal and external stakeholders, providing all stakeholders with necessary information which must be clear and unambiguous, adopting communication which is immediately understandable.

### **3.3 Integrity**

Paying or offering, directly or indirectly, payments, material benefits or other benefits of any kind to representatives of institutions, public officials and public or private employees, customers, suppliers or third parties in general with the intention of influencing or remunerating an action relating to their office or a behaviour, is not permitted.

Business courtesies, such as gifts or forms of hospitality, are allowed provided that they comply with internal procedures and only if they are of modest value (modest value means no more than Euro 160), and in any case they must not create an expectation of improper favours or advantage, or compromise the integrity or reputation of one of the two parties.

Accepting money from individuals or companies that have or intend to enter into business relations with the Group is prohibited.

If a staff member is offered a gift greater than its symbolic value, he/she must refuse it and inform his/her immediate superior and the Supervisory Body, if established.

Gifts and gratuities may not be artificially divided in order to avoid subjecting them to the provisions of this Code.

### **3.4 Fair competition**

IRCA and the Group Companies refuse to adopt forms of unfair competition, refraining from using unlawful techniques and means to obtain an advantage over competitors or to cause them damage in the event of direct or indirect competition.

All Recipients must pursue a culture of fair and transparent competition, in compliance with national and international antitrust regulations in force, in all relations with customers and suppliers.

They therefore undertake not to engage in any conduct which may disrupt the freedom of industry and trade, not to use violence or threats in order to disrupt or obstruct the business of a competitor, not to adopt fraudulent means aimed at affecting the free market and not to engage in any

misleading or defamatory conduct.

In relation to these principles, no written or oral agreements or understandings with competitors shall be entered into to fix prices or terms, limit production or divide customers, suppliers or markets.

### **3.5 Confidentiality**

Recipients shall ensure the confidentiality of information acquired during the activities carried out in the interest or to the advantage of the Company and the Group.

Recipients are required to process company data and information only within the scope and for the purposes of their professional and working activities, to protect data and information in compliance with the law and company regulations and not to disclose (communicate, disseminate or publish in any way) information without the written consent of the Company.

## **4 Values**

### **4.1 The Territory and Community**

We develop our business in the national and international territory being aware of our role and responsibilities within the economic and social community in which we operate.

### **4.2 The Environment**

Business must be carried out while respecting the environment and adopting the principles of sustainable development.

We consider that protecting the environment is a primary value in carrying out business from the management of daily activities to strategic choices. Investment and business decisions are shaped by respect for the environment and the regulations protecting it.

The Group is committed to using socially and ecologically sustainable crops for the main raw materials, also contributing to the protection of natural resources.

In particular, the Company and the Group undertake to:

- manage waste in a sensitive way, paying particular attention to the rules and procedures for waste disposal;
- design and implement production processes and corporate activities with criteria aimed at preventing pollution, reducing environmental impact, preventing possible accidental events, adopting for this purpose the best techniques available on the market;

- define objectives and programmes for improvement especially aimed at minimizing emissions, limiting waste of electricity and minimizing the visual and acoustic impact of company facilities;
- ensure observance of current environmental and safety legislation by all those who work on behalf of the Company, making sure that staff are constantly updated on developments in environmental regulations and making them aware of the objectives that the Company pursues on environmental protection;
- establish and maintain a dialogue with local communities, representative local agencies and with any other interested party, through clear and transparent periodic communication on company strategies and on the results achieved on environmental protection.

Recipients are requested to work actively on environmental management and the continuous improvement of environmental protection, in line with the Company's policy.

#### **4.3 Workers' health and safety**

We protect safety and health in the workplace, ensuring respect for workers' physical, mental and moral integrity.

The Company clearly expresses and discloses, via the documents required by regulations, the fundamental principles and criteria used to make all types of decisions at all levels regarding health and safety at work.

Recipients, within the scope of their duties, actively participate in the process of risk prevention, environmental protection and protection of health and safety for themselves, their colleagues and third parties.

The following are prohibited:

- possessing, consuming, offering or selling drugs or substances with a similar effect for any reason while working and in the workplace;
- smoking in the workplace, except in designated smoking areas.

#### **4.4 Respect for individuals**

The central role and importance of human resources, the promotion of human rights and protecting individuals are supported through impartial decision-making, freedom of thought, conscience and religion, safety, and adequate and continuous training.

Any kind of discrimination, corruption, forced or child labour, harassment, duress and coercion in



the workplace is refused.

All managers are required to value the work of the people they manage and request performance consistent with the duties and tasks assigned.

IRCA S.p.A. and the Group Companies implement initiatives which make it possible to enhance and develop the skills, creativity and active participation of their personnel, to increase their motivation and encourage professional growth and personal fulfilment.

Each Group Company protects privacy in compliance with current legislation on the processing and storage of data, refraining from requesting information about an employee's private affairs, except in cases where the information must be made public by the person concerned for explicit regulatory provisions.

#### **4.5 Quality**

IRCA S.p.A. and the Group Companies pursue excellence and innovation by constantly seeking high standards of quality which must be observed at every stage of production and marketing of products.

The Company has always paid great attention to every aspect of production, starting from the monitoring and selection of suppliers of raw materials through to the finished product that has led to the achievement of multiple certifications for numerous production lines.

### **5 Application of principles and values**

#### **5.1 Relations with shareholders**

In accordance with its defined principles and values, the Company is committed to the following in its relations with shareholders:

- a) transparency and periodic information to shareholders, in compliance with the laws and regulations in force;
- b) accurate and regular disclosure to shareholders of any action or choice that may influence or have consequences for their investments;
- c) conscious and informed participation of the shareholders in the corporate decisions, favouring the proper functioning of shareholder meetings in compliance with the right of each shareholder to obtain clarifications, express an opinion and formulate proposals;
- d) utmost confidentiality of information relating to non-recurring operations which must also be observed by all the Recipients.

## **5.2 Managing conflicts of interest**

Any situation which may generate a conflict of interest, even if only potential, must be avoided. This means any situation which may interfere with the ability of the company to make decisions in a transparent and free manner, performing the delegated functions and responsibilities assigned in the exclusive interest of Group Companies, and ensuring compliance with the principles and contents of this Code.

Decisions concerning first and second-degree family members, a spouse or co-habitant and those relating to external individuals, such as, for example, employee applicants, professionals and suppliers, with whom there are, directly or indirectly, professional and economic relationships that, due to their structure are considered lasting, lead to situations of potential conflict of interest.

Should Recipients find themselves in situations which may interfere with their ability to make decisions independently and in the exclusive interest of the Company or Group, they must promptly report the potential conflict of interest at all times to their immediate superior and the Supervisory Board, if established, which will assess the actual relevance of the case, in as far as it is covered by their authority.

If a Recipient is aware of a conflict interest but has not reported it at the appropriate time, he/she may face disciplinary proceedings, according to their position in the company and the seriousness of the situation which has not been reported. Equally, the external supplier or professional could have its contract terminated.

## **5.3 Transparency of company accounting**

The Company is committed to full transparency, reliability and integrity of information concerning company accounting.

All operations and transactions must be correctly recorded, authorized, verifiable, legitimate, consistent and appropriate.

Every operation must be adequately supported by documentation so that at any moment checks can be carried out which confirm the characteristics and reasons for the operation and identify who authorized, carried out, recorded and checked the operation.

Conduct that may prejudice the transparency and traceability of financial reporting is prohibited. Recipients who become aware of omissions, falsifications or negligence are required to report the facts to their immediate superior and the Supervisory Board, where established.

#### **5.4 Selection, management and development of human resources**

We are committed to respecting the principles of equality and equal opportunities in human resource selection and management.

Personnel selection is carried out on the basis of objective and transparent criteria which assure that professional profiles correspond to the aptitudes required for positions being recruited, avoiding any form of patronage, nepotism or favouritism or corrupt acts, ensuring in this way equal opportunities for all relevant parties and candidates.

Employment relations are formalized via formal contracts, and we refuse to enter into any type of undocumented employment, including with regard to foreign nationals living in Italy or employment relations which constitute exploitation.

We ensure that roles and expertise are assigned on the basis of specific skills possessed by our employees, that pay and regulatory arrangements are based solely on merit and competence, without any discrimination and that there is fair and transparent evaluation of human resource activities.

We are committed, within the limits of the company organisation, to supporting flexibility in working hours which help employees manage maternity and childcare in general.

We encourage the professional development of our employees and we provide appropriate tools and training plans to enhance specific skills and expertise. Every employee has a suitably documented training plan.

Recipients at all levels are requested to work together to maintain a climate of mutual respect and prevent harassment or conduct which in any way may be related to mobbing or bullying practices that are prohibited without exception.

#### **5.5 Safeguarding company assets**

All internal Recipients must safeguard company assets, diligently taking care of movable and immovable assets, technological and IT resources, equipment, information and know-how owned or used by Group companies.

All Recipients must:

- ✓ use IT resources, email, company assets and equipment exclusively for corporate activities, acting responsibly and in compliance with internal regulations;
- ✓ guard their personal password and login to company or third-party databases and not reveal

them to unauthorized third parties;

- ✓ immediately notify their immediate superior of any malfunctions or risk situations detected during the use of company assets.

Internal Recipients are expressly prohibited from:

- ✓ sending emails which are detrimental to an individual's privacy;
- ✓ accessing websites and obtaining or disseminating information which offends common decency;
- ✓ disseminating information which is harmful to individual or collective reputation;
- ✓ disseminating confidential information of any kind on the network or using any other means of communication;
- ✓ carrying out activities which are not part of the company purpose;
- ✓ changing the IT configurations put in place by the Company to protect the integrity of its networks and databases and which prevent the display and capture of inappropriate content and, in any case, content that is not relevant to work;
- ✓ using email for discussions on issues unrelated to corporate activities, except for communications/consultation activities of workers' trade union representatives;
- ✓ carrying out activities which may constitute an infringement of copyright law, including unauthorized copying, downloading and installing of files, software, audio and video CDs/DVDs, cloning or programming smart cards;
- ✓ performing activities which compromise the security of the company's IT resources and network in any way.

Every individual is responsible for protecting the resources entrusted to him/her and is obliged to inform his/her immediate superior promptly of any threats to the Company.

### **5.6 Copyright protection**

As a general rule, Recipients must ensure compliance with internal, EU and international rules on the protection of intellectual property and support correct use of all creative intellectual property including IT applications and databases. They must also diligently perform the administrative tasks necessary to ensure correct use of intellectual property, with particular reference to management of the computer system, the company's website and other internal and external means of communication.

Internal Recipients are prohibited from:

- carrying out any action aimed, in general, at duplicating computer programmes protected by copyright or databases on a computer's hard disk;
- installing IT programmes or applications without having received prior authorization from the relevant IT security function;
- posting images, texts and films on the company IT network, website or through any type of multimedia or printed medium for which copyright has not been correctly respected;
- using images, films, texts or other intellectual property protected by copyright for company publications or productions commissioned by each Company. Copyright for using material must be duly acquired.

### **5.7 Combating money laundering, funding of terrorism and organized crime**

Recipients are bound to comply with Group Company directives and legal provisions to prevent activities being used for the purpose of employing funds obtained illegally, laundering the proceeds of criminal activities, self-laundering and funding terrorism and, especially, Legislative Decree no. 231 of 21 November 2007 and Legislative Decree no. 109 of 23 June 2007 as amended and supplemented and, regarding the fight against organized crime, Legislative Decree no. 159/2011 as amended and supplemented. (Anti-mafia Code).

Recipients involved in managing accounting in the general ledger, suppliers and customers must also comply with the regulations regarding restrictions on the use of cash and bearer securities contained in Legislative Decree no. 231/07 and subsequent amendments and integrations.

### **5.8 Management of Financial Resources**

Group Company personnel responsible for managing financial resources, both in terms of financial and investment policy choices and bookkeeping, are required to observe the general principle that all financial transactions must, at all times, be traceable to a legitimate source and motive, be explicitly authorized and correctly recorded as well as accompanied by all other appropriate information to identify the persons responsible for each stage of the decision-making process. Recipients must comply with the regulations adopted by each Group Company.

### **5.9 Relations with Public Authorities and Supervisory Authorities**

The Company keeps fair and transparent relations with Public Authorities. Public Authority means any public body or its representative, independent administrative agency, and natural or legal person acting as a public official or public service appointee.

Only appointed and authorized company functions may enter into commitments with Public Authorities and in any case with Public Institutions, strictly complying with legal provisions and applicable regulations, and in no way may the integrity and reputation of the Company be compromised.

Any activity by a person acting on behalf of the Company aimed at influencing the independent judgement of a public official or person in charge of a public service, to ensure advantages of any kind to the Company, is absolutely prohibited.

#### **5.10 Relations with political and trade union parties, organisations and associations**

Group Companies do not fund political parties, their representatives or candidates, and do not support events whose sole purpose is political propaganda. They also refrain from exerting any direct or indirect pressure on political figures.

We guarantee that all trade union organisations represented are treated equally and we do not provide funding or donations of any kind.

#### **5.11 Contributions and sponsorships**

The Company may make contributions in response to appeals for funds from registered non-profit organizations and associations, with formal articles of association and deeds of incorporation, which have the highest cultural, social and charitable values or in any case, which involve a significant number of citizens.

Sponsorship activities, which may cover culture, social issues, the environment, sport, entertainment and art, are set aside for high quality events or where the Company may collaborate on the planning in order to guarantee originality and effectiveness.

Payment of such contributions must always be made in compliance with current legal provisions, internal regulations and be correctly and adequately documented.

#### **5.12 Relations with customers**

We are committed to the continuous improvement of the quality of our products offered to customers.

We undertake to use genuine raw materials, not to sell products which are altered, counterfeit or harmful to health and to provide complete and accurate information on the composition and ingredients of the products offered and ensure traceability of the food chain.

Recipients carry out work guaranteeing professionalism and high-quality results, also ensuring that information regarding customers is kept confidential.

### **5.13 Relations with suppliers and advisers**

Suppliers and advisers are a fundamental factor for achieving competitive advantage and, for this reason, we believe that building mutual trust is necessary, creating agreements which can guarantee continued competitiveness over time for both parties.

Screening and selection processes are based on the principles of lawfulness, fairness and transparency.

Objective and impartial criteria based on quality, skills, expertise, level of innovation, cost, and any services in addition to the services/products offered are used to choose suppliers and advisers.

Contracts or formal orders issued by the Company must always be in place for the execution of activities by suppliers and advisers.

If a supplier is based in a country considered risky (defined as such by recognised organizations with regard to corruption or terrorism risk, for example), contracts must include specific clauses to ensure that the supplier complies with particular social obligations (for example, provisions guaranteeing respect for the fundamental rights of workers, the principles of equal treatment and non-discrimination, and the protection of child labour).

Remuneration is always commensurate with the service described in the contract and payments are made exclusively to the party which signed the contract and in the country of the parties or where the contract is performed.

Any breach of the principles of legality, fairness and confidentiality is just cause for the termination of relations with suppliers.

### **5.14 Relations with the media**

Information reported to anyone outside the company must always be truthful and transparent. The Group communicates with the media accurately and without discrimination. Relations with the media can only be handled by the company functions and individuals appointed to do so.

## **6 Dissemination, information and reporting**

Group Companies inform all Recipients of the provisions and methods of applying the Code of Ethics, urging full compliance.

Companies shall ensure dissemination of the Code of Ethics, provide interpretation and clarification of the principles and provisions contained therein, check compliance of the Code and update the provisions as required when situations change (e.g. company structure, sector, market).

In the event Recipients become aware of alleged violations of this Code of Ethics or of conduct that does not comply with the code of conduct adopted by the Company, they must report this to the Supervisory Body, if established, and their immediate superior, without prejudice to the obligation to notify the judicial authorities in the event of unlawful situations.

The recipients of the reports must evaluate whether the Code of Ethics has been violated and, if deemed necessary, promptly notify the Supervisory Body, also closely coordinating with the corporate structure responsible for applying the appropriate disciplinary sanctions. The Company reserves the right to take any action against anyone who makes untrue reports in bad faith.

In order to facilitate the forwarding of reports to the Supervisory Board, it is possible to send them as follows:

- by post, for the attention of the Supervisory Body, to the address of the Company's headquarters,
- by email to the following address: [organismodivigilanza@irca.eu](mailto:organismodivigilanza@irca.eu).

## **7 Violations and sanctions**

Compliance with the provisions of this Code of Ethics is considered an essential part of an employee's contractual obligations pursuant to and for the purposes of article 2104 of the Italian Civil Code.

Any violation of the provisions of the Code of Ethics may constitute a breach of employment relationship obligations and/or a disciplinary offence, in accordance with the procedures envisaged by article 7 of the Workers' Charter and the applicable collective labour agreement,



with all the legal consequences, including possible dismissal from the employment relationship, and it could involve compensation of damages arising from the same.

Compliance with the principles of this Code of Ethics is part of the contractual obligations undertaken by suppliers and advisers and other parties in business relations with the Company.

Consequently, any violation of the provisions contained therein may constitute a breach of contractual obligations undertaken and/or lead to application of the disciplinary system established in accordance with Legislative Decree 231/01.