

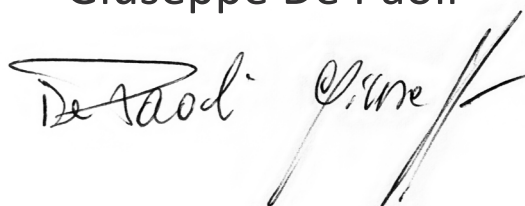
CODE OF ETHICS

DE PAOLI LUIGI E FIGLI SPA
VIA TRIESTE 4/C
BOLZANO VICENTINO

Approved by the BoD on February, 27th 2019

PRESIDENT

Giuseppe De Paoli



OUR COMMITMENT TO VALUES

The company De Paoli Luigi e Figli SpA, hereinafter also “Burro De Paoli”, was founded in 1967 and, since 1978 when it moved to its present venue, it kept on growing and specialising in the production of several different kinds of butter.

The company’s growth has always been inspired by the values of the De Paoli family. These values are now codified thanks to the present Code of Ethics.

The success of the company De Paoli Luigi e Figli SpA was lead by the production of butter, always complying with strict safety rules and high quality standards, relying on the best technologies available on the market. This is how the Company has always been extremely proactive in the development of new formats and packagings.

Both the main players of the large scale distribution and market leader multinational companies have been choosing our private label. They rely on the high quality standards that allow De Paoli to be listed amongst the national top premium butters. In this context, in 1998 De Paoli implemented its quality system complying with the regulation ISO 9000. Then, it added several Certifications such as BRC/IFS, organic, GMO free.

Today De Paoli aims at strengthening furthermore its position on the market by implementing new production plants with innovative and extremely advanced technologies. In this way, not only it can improve safety and efficiency, but it is also able to offer new products for the industrial market, namely for the confectionery industry.

Every year the De Paoli family renews its social commitment by supporting and promoting young sport teams, thus favouring minor sports, and supporting non-profit organizations of social value. Moreover, De Paoli fights against all forms of discrimination, favouring training and awareness raising amongst its workers, promoting social cohesion and integration at all levels of responsibility. The goal is to improve safety levels, working conditions and environmental protection. For these purposes, the company continuously invests in infrastructures, trainings for workers focused on health and safety on the working place and procedures to control and reduce impacts on the environment.

Now more than ever it’s crucial to confirm our ethical vision, clearly stating our principles, our values and our responsibilities in order to manage our relationships with the market, with end users, with our industrial partners, with the entire supply chain and with all the stakeholders.

OUR HISTORY

Over the time we have been developing a team of strongly motivated workers to guarantee food safety. Our daily goal is always to provide a better and safer product.

We are producing butter in several different shapes, formats and packagings, both with our own brand and with private label. Over the last few years we mainly focused on co-packing

activities for dairy companies and for the Large Scale Distribution. Recently, the company started a new production line for the production of butter oil and concentrated butter.

In terms of turnover, the De Paoli company is one of the main Italian butter producers.

In order to comply with the quality regulation ISO 9001 and the international standards for food safety BRC and IFS, our procedures carefully control the entire production process, starting from the receipt of raw materials to the distribution of finished products.

The application of the HACCP system guarantees a much lower risk of microbiological, chemical or physical contamination of the product, thanks to the careful study of the entire production process and the use of advanced technologies. For all raw materials and during the entire production process, the Quality Department takes samples in order to carry out organoleptic, microbiological and chemical analysis. Moreover, we really want to guarantee our customers the best and highest quality for our butter.

For this reason, we are sharing our goals with all our suppliers and they undertake to adopt and respect several product specifications, in compliance with strict controls and tests. Controls are very careful and strict on the entire supply chain, in order to comply with the agreed procedures and provide the best organoleptic features and hygienic conditions for all our products.

STRUCTURE OF THE CODE

The Code of Ethics is made of four parts:

- I. general provisions: goals, addressees, dissemination of the Code to the addressees and their general obligations
- II. ethical principles that inspire the company for the development of its business;
- III. rules of conduct;
- IV. implementation methods of the Code.

The present code can be modified and/or integrated with decision of the Board of Directors.

PART I: GENERAL PROVISIONS

GOALS

The present Code states the ethical principles that lead the Company in carrying out its business. On these principles are based all rights, duties and responsibilities that the Company recognises and respects in carrying out its business.

The Company Burro de Paoli e Figli SpA is committed to respect the environment and people's health. It is perfectly aware of its own social and ethical responsibilities towards the community where it works and from which it takes resources.

Our customers are the partners with whom we aim at succeeding in the business. We need to work with them in order to grow together, always respecting the people who will buy our products.

ADDRESSEES

Addressees of this Code are:

- (a) members of the Board of Directors (hereinafter BoD) and those who have the role of management, administration, direction and control in the Company or in its independent organization units;
- (b) members of the Board of Statutory Auditors;
- (c) the person in charge of the legal review of the financial statement of the Company;
- (d) other employees of the Company ("Employees");
- (e) all the people working for the Company as collaborators or that, despite being third parties of the Company, directly or indirectly, continuously or temporarily act on behalf of the Company (such as, by way of example but not limited to, temporary workers, interim workers, all kinds of collaborators, agents, advisors, suppliers, commercial partners, etc.)

Hereinafter, all the subjects mentioned above will be defined as "Addressees".

All Addressees will have to comply and, as far as they may be concerned, make sure people will comply with the provisions of the Code and its principles.

Under no circumstances Addressees shall behave in contrast with the provisions of the present Code, nor justify their wrong conduct as if they were acting to achieve the Company's interests.

The Code shall be applied to all the activities carried out by the Company, also outside Italy. The provisions of the present Code represent an integral part of the Employee's contractual obligations according to the art. 2104 and following of the Italian Civil Code.

Any breach of the rules of the present Code may undermine the relation of trust between the Addressee and the Company. This may lead to the application of disciplinary actions and the compensation for damages. As for the Employees, they shall comply with the procedures stated by the art. 7 of the law n. 300/1970 (Workers' Statute), with the collective agreement for workers and with all internal regulations adopted by the Company.

DISSEMINATION OF THE CODE

The Company De Paoli Luigi e Figli SpA is committed to guarantee the best possible dissemination of this Code inside and outside the Company. The Code will be provided to Corporate Bodies and to all the Employees, and it will always be available in an accessible place (the Company notice board) and online on the website of the Company.

The Code shall be communicated to all Addressees with appropriate means which shall guarantee safe receipt (for example, via certified email). In case of contracts signed between the Company and Third Addressees, the Company shall add specific clauses concerning the compulsory compliance with the Code of Ethics.

The Company shall:

- a) implement specific and continuous training activities to raise awareness on the topics stated by the Code;
- b) constantly update the Code according to the commercial, financial and economic development of the Company, in case of any change in its managing or organizational structure, with reference to different breaches which may arise during controls and possible changes in the reference regulatory framework;
- c) provide adequate prevention tools as well as appropriate sanctions and prompt implementation of such sanctions in case of verified breaches to the Code;

OBLIGATIONS FOR THE ADDRESSEES

The present Code is binding for all the Addressees, at all levels of the Company organization. The Addressees shall know the provisions stated by the present Code and applicable laws.

Moreover, the Addressees are obliged to:

- a) avoid all conducts which do not comply with the provisions of the present Code and the Law;

b) contact their superiors to ask for further information concerning the implementation of the Code and/or applicable laws;

All Managers of the Company Departments, besides what stated in the previous article, are obliged to:

a) have a correct conduct behaving as an example for their subordinates;

b) make sure that their subordinates comply with the Code and proactively explain them that the provisions of the present Code represent an integral part of their job;

c) promote and guarantee the compliance with the present Code from Third Addressees with whom they are working.

PART II: ETHICAL PRINCIPLES

The following principles represent the fundamental values that shall be respected by the Addressees while aiming at achieving the Company's mission and, generally, while carrying out the activities of the Company De Paoli Luigi e Figli SpA.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company De Paoli Luigi e Figli SpA recognises as an essential principle the compliance with laws, rules and regulations, including those provided by the present Code, in force in Italy and in the Countries where the Company acts (hereinafter, the "Law"), and it undertakes to have all the Addressees accept and comply with this principle. This commitment shall also be shared and complied with by all the people having relationships with the Company.

Under no circumstances the interests of the Company shall justify any breach of the Law, nor the Company shall approve or justify any conduct, even in form of association, aimed at breaching the law, nor obliging or encouraging someone to breach the Law.

STRATEGIC VALUE OF LABOUR AND HUMAN RESOURCES – FIGHTING AGAINST THE EXPLOITATION OF ILLEGAL FOREIGN WORKERS

The Company De Paoli Luigi e Figli SpA considers human resources as an integral and fundamental part of its Organization, key players for the development and continuous improvement.

For this reason, the Company De Paoli:

- promotes the value of human resources in order to improve and increase the skills of every Addressee;
- protects the moral integrity of the Employees, guaranteeing working conditions which shall always respect human dignity. The Company does not accept any form of physical or psychological violence, sexual harassment, discriminatory behaviour, or any action which may damage human beings, their convictions and preferences.

The Company selects, hires, pays and manages its working team on the basis of meritocracy and skills, thus complying with the applicable collective agreement for workers – CCNL of Food Businesses

The Company undertakes to use its power and authority in a fair and appropriate way, avoiding every kind of abuse.

The Company refuses every kind of illegal work, including the employment of workers with illegal stay.

INTEGRITY AND FAIR BEHAVIOUR

The Company De Paoli Luigi e Figli SpA undertakes to produce and provide high quality products and to compete on the market relying on transparent, appropriate and fair principles of free competition. It also undertakes to keep good relationships with public, governmental, administrative institutions, with third parties and customers, including potential competitors.

In particular, as far as relationships with third parties are concerned, the Company complies with the rules of fair competition, avoiding unfair commercial practices, misleading information and behaviours which may, somehow, provide undue benefits from the exploitation of third party economic weaknesses and/or lack of information.

Our co-packing role for the main companies of the large scale distribution and for manufacturing companies has been growing over the years, based on mutual trust and transparency.

CONFLICT OF INTERESTS

The Company De Paoli Luigi e Figli SpA adopts all the needed measures to prevent and avoid conflict of interests, with reference to all those situations where the Addressees may achieve interests in contrast with the interests and goals of the Company, or may carry out activities incompatible with their working duties.

CONTROLS

The Company relies on a system of controls (which may be implemented by Company's organisms or external bodies appointed for this purpose) within the limits of the law. These controls play a key role to improve the efficiency of social activities.

SAFETY AT WORK

The Company guarantees health, safety, physical and psychic integrity for its Employees, collaborators and advisors and, more generally, for the Addressees. It also guarantees working conditions which respect the individual dignity as well as safe and healthy working places, in accordance with the applicable law.

Health and safety at work represent a primary goal for the Company, which undertakes to promote and improve safety with all Addressees, aiming at raising their awareness and knowledge of potential risks at work. Furthermore, it promotes responsible behaviours and conducts aimed at guaranteeing safety for themselves and for other people.

With respect to this goal, the Addressees - in particular the Employees - and all the people involved in tasks concerning health and safety at work (employer, managers, the appointed physician, people responsible for the protection and prevention service, workers' representatives for safety) shall collaborate, in accordance with their roles and responsibilities, to progressively eliminate or reduce risks at source. The goal shall be to improve the working conditions in accordance with the principles stated below, namely when decisions have to be taken or choices have to be made, as well as when they shall be implemented.

PRINCIPLES OF SOCIAL AND INDIVIDUAL RESPONSIBILITY

Every individual shall be responsible for his/her own actions carried out during the working activity.

Managers and supervisors shall also undertake the responsibility to control the activity carried out by people who are subject to their management and control.

PROTECTION OF INDIVIDUAL'S PERSONALITY – FIGHT AGAINST ALL DISCRIMINATIONS – RESPECT FOR WORKERS' RIGHTS

The Company De Paoli Luigi e Figli SpA recognises the need to protect freedom and individual dignity in all their forms, fighting against all actions or facts aimed at reducing personal freedom and against every form of violence or exploitation of individuals.

The Company condemns any and all discriminations or offenses based on political opinions, trade union membership, religion, race, ethnicity, nationality, age, sex, sexual orientation, health status, family status and, more generally, all intimate features of the individual.

Furthermore, the Company favours all forms of free association amongst workers and it expressly recognises the right of collective agreements, thus condemning all forms of forced labour and/or the use of all forms of child labour.

CONFIDENTIALITY – PRIVACY PROTECTION

The Company undertakes to protect all the information that it owns. It also guarantees that the acquisition, treatment and storage of information and personal data concerning the Addressees and all subjects having any relationships with the Company comply with specific procedures aimed at complying with the law, in particular the Legislative Decree n. 196/2003 s.m.i. and the Reg. 679/2016.

Furthermore, the Company undertakes to protect all information concerning its people and third parties, despite the way such information may have been acquired or processed by the Company, as well as to prevent any illegitimate use of such information, thus ensuring their privacy to the people involved.

RELATIONSHIPS WITH CUSTOMERS/END USERS

One of the primary goals of the Company is to meet the needs of its customers and end users of its products, both with the “De Paoli” brand and with “Private Label”. With these subjects, the Company wants to develop a strong relationship based on trust, transparency, fairness, safety and professionalism.

The Company guarantees the compliance of its production and labels with the applicable legislation in force. The Company adopts a policy based on total transparency and communication through the use of clear and user-friendly labels for the customer/end user, clearly stating real and correct information concerning nutritional values and the certifications obtained.

PRESERVATION OF THE ENVIRONMENT

The Company De Paoli Luigi e Figli SpA recognises and promotes:

- o the protection of the environment, local sustainable development and the adoption of industrial solutions with the lowest impact on the environment;
- o the value of technological and industrial research aimed at improving energy savings and reducing the consumption of resources;
- o measures to reduce impacts on the environment during the entire life cycle of the product, including the choice of the packaging and deliveries;

o the importance of correct and widespread information on environmental issues, aimed at improving environmental protection.

The Company carries out all its activities in accordance with all the applicable environmental rules and regulations, complying with all relevant Authorities.

PART III

RULES OF CONDUCT FOR THE ADDRESSEES

PRINCIPLES AND RULES OF CONDUCT FOR THE COMPANY'S EMPLOYEES

The conduct of the Employees shall comply with the Law and the principles stated in the present Code, both for internal relationships with the Company and towards external parties, in accordance with the Code of Ethics and the Company's procedures in force.

The Employees shall always be aware of the ethical meaning of their actions and shall not pursue their personal goals to the Company's detriment, nor the Company's goals with breaches of the Law.

The Employees shall respect the Company's hierarchy. As far as hierarchic relationships are concerned, the Employees shall exercise their authority in a fair and correct way, avoiding any form of abuse.

The Employees shall respect general obligations of confidentiality, concerning all Company's information available in all fields of the Company, including projects, products, services, purchasing conditions, sales conditions, all technical, commercial, legal and financial information or any kind of confidential information they may acquire during their working activities.

The Employees shall not disclose any information or news concerning the organization or the methods of the Company, nor they shall exploit such information to the Company's detriment.

PRINCIPLES AND RULES OF CONDUCT FOR THE MEMBERS OF CORPORATE BODIES

Corporate Bodies, including liquidators in case of Company liquidation, while carrying out their activities, shall comply with the Law and with the present Code.

RELATIONSHIPS WITH THE PUBLIC ADMINISTRATION

The Employees shall develop their relationships with the Public Administration strictly complying with the Law, with the Code and with all the specific procedures regarding food safety, safety at work and on all other fields as approved by the Company. Under no circumstances the Employees shall damage the Company's integrity and reputation.

Any and all commitments and relationships with the Public Administration shall be undertaken exclusively by the roles having the relevant responsibility and power or by the subjects specifically authorised by the Company.

RELATIONSHIPS WITH THE STAKEHOLDERS

The stakeholders are subjects (including individuals, groups, organizations, institutions) who may have interests, in different forms, involved in the Company's business. Any and all relationships with the stakeholders shall be based on complete fairness, collaboration and mutual respect. The Company considers amongst its stakeholders: shareholders and financiers, employees and external collaborators, customers, suppliers, competitors, the

public administration, buyers of the products, local bodies, local communities and mass-media.

The Employees shall develop fair relationships with suppliers, aiming at achieving fair competitive advantages, providing equal opportunities, and complying with the Company's procedures for the choice of suppliers.

Under no circumstances the Employees shall select suppliers on the basis of strictly personal reasons.

CORRUPTION AND MALFEASANCE

The Company Burro De Paoli undertakes to adopt all needed measures to prevent and avoid corruption and extortion. Under no circumstances money shall be paid, nor any form of corruption shall be adopted in order to guarantee direct or indirect advantages to the Company. Gifts or favours from third parties shall not overcome reasonable rules of courtesy and hospitality. This rule shall be applied both if an employee or collaborator pursues interests different from the Company's mission and if he/she takes personal advantages from business opportunities.

DILIGENCE AND FAIRNESS IN CONTRACT MANAGEMENT

Managers, selecting and assessing the Company's collaborators, shall base their decisions exclusively on the skills held by the collaborators for their assigned tasks and on their professional qualities. In particular, they shall not:

- make any kind of direct or indirect discrimination, based on political opinions, trade union membership, religion, race, ethnicity, nationality, age, sex, sexual orientation, health status, family status and, more generally, all intimate features of the individual;
- favour in any way subjects that may have relationships with the Public Administration or that may have been introduced by the Public Administration, nor customers, suppliers or, more generally, every subject who may have some kind of relation with the Company or that may have been introduced by them.

CONFLICT OF INTERESTS

In order to ensure utmost transparency, the Company Burro De Paoli and its Employees undertake not to give rise to any situation of conflict of interests with the employees of any Authority and their family members.

MONEY LAUNDERING

The Company undertakes to comply with all the laws against money laundering in force in Italy and in the European Union. The activity of money laundering implies the attempt from an individual or an organization to conceal the origins of money obtained illegally, pretending they are actually legal. The Company Burro De Paoli firmly prohibits every operation which may facilitate money laundering.

FRAUDULENT ACTIVITY

The Company Burro De Paoli does not accept any kind of fraudulent behaviour and it undertakes to totally comply with the ethical values stated in the present Code of Ethics. The Company Burro De Paoli expects all people involved in this Policy to share and comply with the same behaviour and commitment.

Fraud is any intentional and illegal action which may be featured by deceit, concealment, or violation of the relation of confidence, aimed at obtaining an unfair and unauthorised benefit and/or damaging the Company.

All workers play a key role to prevent and detect fraudulent activities. Examples of fraudulent activities may include:

Adulteration: it includes all operations which may modify the original structure of a food item by replacing the original elements of the food with foreign ones, or by removing elements which shall be present in the food item, or even by proportionally adding extra quantities of one or more of its components. Not only adulterations have commercial consequences, but they may even imply hygienic-nutritional consequences and, in some cases, also SERIOUS dangers for public health.

Sophistication: this operation consists in adding foreign substances to a food item in order to modify its essence, corrupting or changing its natural composition and counterfeiting its authenticity in order to improve its aspect and hide its defects.

Counterfeiting: it consists in creating a food item making it look as if it was authentic despite being produced with substances different in quality or quantity from those that shall normally be used to produce that food item.

Cross-contamination: transferring a production or part of it to another production with different features;

Alteration: the original composition of the food item is modified due to spontaneous degenerative phenomena which may be caused by incorrect storage modes or excessive storage time;

False statements on the label with respect to the real ingredients present in the products;

Stressing some particular false features of the product with claims and advertisements;

Falsification or manipulation of registration documents, financial statements and other official documents;

Any kind of embezzlement or theft of the Company's assets, resources or time used for personal purposes;

Intentional mistakes or omissions of tax documents.

PART IV: IMPLEMENTATION METHODS OF THE CODE

ENTRY INTO FORCE

The Code of Ethics adopted by the Company De Paoli Luigi e Figli SpA has immediate effect starting from the date of approval by the BoD and it will be in force until new reviews or updating will be made. All the Addressees will be obliged to adequately know it and comply with it. The code will be provided to all the Employees at the moment they will be hired. All Suppliers and Partners, when signing the contract, will be asked to carefully comply with the present Code. In case of conflicts with internal regulations or procedures, the principles stated in the Code will prevail.

SANCTIONS AND DISCIPLINARY SYSTEM

Any breach of the present Code represents a conduct which may be punished by the Company in accordance with the disciplinary system (the “Disciplinary System”), according to the regulations in force and in particular to the CCNL of Food Businesses.

Avoiding to report facts and/or circumstances which may potentially lead to breaches of the present Code is considered as a breach which may be punished by the Company.

REPORTING POTENTIAL BREACHES OF THE CODE

The Company, in order to allow reports and communications from the Addressees, has established specific and dedicated communication channels which guarantee total confidentiality.

Every subject involved may anonymously report, either orally or in writing, every breach or suspect of breach of the Code of Ethics to the person responsible to control the compliance with the Code. This person shall:

- analyse and assess the report, interviewing (if this is the case) the report’s author and the subject responsible for the breach;
- make sure no reprisal will be taken against the reporting party, including any action which may even be suspected to be a form of discrimination or punishment;
- guarantee absolute confidentiality to the identity of the reporting party, except where required by law;
- define the measures to be adopted according to the regulations in force, in accordance with the approval of the Management.