

Frascheri S.p.A.

CODE OF ETHICS



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1 OUR HISTORY AND OUR COMMITMENT

1.1 Our path

Frascheri S.p.A. is a food company, with a dairy vocation, whose production plant is located in Bardineto in the province of Savona between the Maritime Alps and the Ligurian Apennines, a short distance from the Riviera di Ponente.

"**Fresh milk every day**" is the **mission** of an organization that has been on the market for more than 60 years: the **Frascheri Family** has given rise to a **dairy tradition** that, day after day and always with renewed enthusiasm, has led the organization to become the important reality it is today.

It all **began in 1955**, with the birth of a Social Cooperative by 64 members. Egidio Frascheri became one of the main shareholders and, after two years, when the cooperative closed its doors, he assumed full control of the activity.

In 1964, Egidio Frascheri moved the company, now his exclusive property, to Via Cesare Battisti 29, Bardineto, the current headquarters of the production plant and management offices. Since then, a continuous work of growth and modernization began, culminating, at the beginning of the 90s, in an intense program of plant automation and computerized management of production processes, which allowed the company to have cutting-edge technologies for the processing of milk and cream.

The pasteurized and sterilized milk and cream distributed in the nearby coastal towns of the Riviera di Ponente **with a sales network** that over the years has become increasingly widespread, continue to remain historically leading products in the assortment, but they have been joined by many other Frascheri brand references.

The dynamism and versatility that have characterized the last intense years of work and growth have changed **the original dairy tradition**, producing important changes within the organization, both as regards the assortment offered with its product portfolio, now extremely wide and varied, and for what concerns its areas of commercial influence, as well as the customer segments served, and the sales channels used.

1.2 Present and future

Frascheri is today a **S.p.A.** whose share ownership is totally owned by the members of the family: they are members of the company's Board of Directors and at the same time company directors, in key management and management roles.

In the face of this substantial continuity, at the Bardineto production site, the third generation of the family continues the **production and packaging of pasteurized dairy products, ESL and UHT, for normal trade and large-scale distribution**, but also for **professional use**, intended for **wholesalers, B2B, industries**, distributing extensively not only exclusively on the Ligurian and Piedmonts territory, but nationally and internationally.

Significant in terms of volumes and strategic importance are the processes always carried out at the Bardineto plant under the brand of third parties, especially long-term UHT references, which have allowed us to start synergistic partnerships and economies of scale with other important dairy companies of regional and national importance.

In addition, **the assortment for marketing** has been **expanded with other dairy references** (yogurt, ricotta, cheese, ice cream, etc ..) eggs, salads and other "fresh" and "long-lasting" foods , **under its own brand, outsourced products** from **selected and qualified suppliers**, some of which are historical and with whom collaboration partnerships have been developed over the years.

Last but not least, in chronological order of occurrence, it should be noted that **the organization has also entered the world of BIO**, with the launch of dedicated niche productions of **goat and cow's milk products, both ESL and UHT**.

Frascheri, as also stated in its Quality and Food Safety policy, therefore intends to continue on the path of continuous improvement and diversification by actively committing itself to:

- *promote a diet made of "good, simple and quality products", in line with the best Italian tradition of "eating well", which allows you to vary your diet every day in a balanced way and that contributes to promoting a healthy lifestyle;*
- *offer the market references that meet the satisfaction and satisfaction of its customers and end consumers and that are characterized by **healthiness, quality, naturalness, safety and service.***

To this end, the maintenance of the company's ISO 22000 (Food Safety) and ISO 9001 (Quality) certifications constitute a bulwark to guarantee the strategic and programmatic commitments of the organization.

By virtue of the above but with an eye to the future, the company has therefore defined its **corporate vision** that can be translated into the following programmatic purpose: "to **be a company capable of developing nationally and internationally, focusing on the quality of its productions and on the ability to be a partner of reference companies in the food sector**".

In the vision of the future of the Top Management, the fixed points are:

- attention to the **needs of the market and consumers**, in a relationship of mutual trust, transparency and availability;
- the development of the **national and international B2B market**,
- respect for **human dignity, protection of human health and the environment**;
- the constant commitment to **technological and process innovation**;
- attention in the **selection of raw materials**, with a view to food safety and in terms of sensory and nutritional quality of finished products;
- the resourcefulness in continuing to do one's job with **sobriety and seriousness** and the **continuous tension to the growth of one's skills and knowledge**;
- the prospect that a **better tomorrow for all** is an indispensable and indispensable goal.

2 INTRODUCTION TO THE CODE OF ETHICS

2.1 The purpose and recipients

This **Code of Ethics** is a public statement by **Frascheri SpA** in which the general principles and rules of conduct are identified, which are recognized as positive ethical value.

This Code represents a tool with which **Frascheri SpA**, in the fulfilment of its mission, undertakes to contribute, in accordance with the laws and principles of loyalty and fairness, to the socio-economic development of the territory, citizens, customers and consumers, thanks to more than sixty years of dairy tradition, with the commitment and passion of three generations who work side by side in the company.

The Code is intended to ethically support the action of the Company and its provisions are consequently binding for the conduct of all company directors, employees, consultants, and anyone who establishes, for any reason, a collaborative relationship. It is given wide internal dissemination to all staff and the same Code is made available to any interlocutor of the company.

2.2 The relationship with business partners

The Code intends to direct the conduct of **Frascheri SpA** to cooperation and trust towards the company's reference interlocutors, that is, those categories of individuals, groups, and institutions whose contribution is necessary for the realization of the company mission and / or whose interests are directly or indirectly influenced by the Company's activity.

The **company's interlocutors** are primarily shareholders and, therefore, internal, and external collaborators, customers, suppliers and business partners. In a broad sense, we include all those individuals or groups, as well as the organizations and institutions that represent them, whose interests are influenced by the direct and indirect effects of the activities of **Frascheri SpA** for the exchange relations they have with it or because they are significantly influenced by it: local and national communities, environmental associations, future generations, etc.

The following are therefore Interlocutors:

- **Shareholders**
- **company representatives and external collaborators**
- **Customers**
- **Suppliers**
- **public administration**
- **environment and community**

2.2.1 The behavior with the interlocutors of Frasccheri SpA

Frascheri SpA aspires to maintain and develop the relationship of trust with the **company's interlocutors** and tries to pursue its mission by balancing the interests involved. Relations with shareholders, at all levels, must be based on criteria and behaviours of fairness, collaboration, loyalty and mutual respect.

2.2.2 The value of corporate reputation and credibility

Reputation and credibility are fundamental intangible resources. The good reputation and credibility of the company favour shareholder investments, relations with local institutions, customer loyalty, the development of human resources and the fairness and reliability of suppliers.

2.3 The contents of the code of conduct

The Code of Conduct consists of:

- general ethical principles that identify the reference values in the company's activities;
- criteria of conduct towards each company interlocutor, which provide the guidelines and rules to which the recipients of the Code are required to comply;
- implementation mechanisms that outline the control system for the correct application of the Code of Conduct and for its continuous improvement.

2.4 Field of application and contractual value of the Code

2.4.1 Scope of application

Recipients of the Code of Ethics are all company representatives, without exception, and all those who, directly or indirectly, permanently, or temporarily, establish **relationships or relationships with Frasccheri SpA** and work to pursue its objectives; among these:

- corporate bodies;
- employees;
- workers, including temporary workers;
- consultants and collaborators in any capacity;
- general stakeholders (i.e. Stakeholders);
- and any other person who may act in the name and on behalf of FRASCHERI S.p.A.

Each company representative, external collaborator, consultant, supplier, customer is required to comply with this Code of Ethics whose acceptance may, where deemed appropriate by the Management, be requested explicitly.

The corporate representatives of **Frascheri SpA** have the obligation to know the rules, refrain from conduct contrary to them, contact the superior or the Board of Directors for clarifications or reports, collaborate with the structures responsible for verifying violations and not hide the existence of this Code from counterparties.

Frascheri SpA also requires the main suppliers and partners to conduct themselves in line with the general principles of this code, considering this aspect of fundamental importance to pursue an ethically responsible business model.

2.4.2 Contractual value of the Code of Ethics

In business relationships, counterparties must be informed of the existence of rules of conduct, and they are required to share and respect them. Compliance with the rules of the Code is an essential part of the contractual obligations of all employees pursuant to art. 2104 of the Italian Civil Code.

The serious and persistent violation of the rules of this Code damages the relationship of trust established with the Company and may lead to disciplinary actions and compensation for damages, without prejudice, for employees, compliance with the procedures provided for by art. 7 of Law 300/1970 (Workers' Statute) and subsequent collective labour agreements and disciplinary codes adopted by the company.

Frascheri SpA, with all its figures of responsibility expressed by the company organization chart, reporting directly to the Management, undertakes to collaborate with the Judicial Authorities, to promote a corporate culture characterized by the awareness of existing controls and by the mentality oriented to the exercise of control.

2.5 Updates to the Code

By resolution of the **Board of Directors of Frascheri Spa**, the Code may be modified and supplemented, also based on suggestions and indications from the main company functions that report to the Company Management.

Frascheri SpA undertakes to deepen and update the Code of Ethics to adapt it to the evolution of civil sensitivity and regulations of relevance to the Code of Ethics itself. In particular, the management is required to observe the Code in proposing, managing, and implementing the projects, actions and investments of the company and the members of the Board of Directors, in setting the business objectives, must be inspired by the principles of the Code.

3 ETHICAL PRINCIPLES OF REFERENCE

All those who occupy positions of responsibility in Frascheri SpA (the top management) are in fact required to be an example for their employees, to direct them to comply with the Code and to promote compliance with the rules. They must also report to the Board of Directors all useful information about any deficiencies in controls, suspicious behaviour, etc. and modify the control systems of their function according to the indications of the Board itself.

3.1 Responsibility

In the realization of company objectives and in the performance of work activities, the behaviour of all the recipients of this Code must be inspired by the ethics of responsibility.

Frascheri SpA has as an essential principle the observance of laws and regulations in force. The recipients of the Code are required to comply with current legislation; in no case is it permissible to pursue or realize the interest of the enterprise in violation of the laws. **Frascheri SpA** undertakes to ensure, to the interested parties, an adequate information and continuous training program on its Code of Ethics.

3.2 Transparency

The principle of transparency is based on the truthfulness, accuracy, and completeness of information both outside and inside the Company. The system of verification and resolution of complaints implemented against customers must allow information to be provided through constant and timely communication, both verbal and written.

Frascheri SpA undertakes to inform, in a clear and transparent way, all interlocutors about its financial situation and its economic performance, without favouring any interest group or individual. The financial, accounting and management evidence and any other communication must meet the requirements of completeness and accuracy.

3.3 Efficiency

The principle of efficiency requires that in every work activity the cost-effectiveness of the management of the resources used in the provision of services is realized and the commitment is undertaken to offer an adequate service with respect to the needs of the customer and according to the most advanced standards.

3.4 The spirit of service

The principle of the spirit of service implies that each recipient of the Code is always oriented, in his behaviour, to share the company's mission aimed at providing healthy and genuine food products, to make customers benefit from the best management quality standards.

3.5 Equality and impartiality

Frascheri SpA prohibits any discrimination based on age, sex, sexuality, state of health, race, nationality, political opinions, and religious beliefs, in all decisions that affect relations with its shareholders.

3.6 Competition

Frascheri SpA intends to develop the value of competition by adopting principles of fairness, fair competition, and transparency towards all operators on the market.

3.7 Relations with the community and environmental protection

Frascheri SpA is aware of the effects of its activities on the context of reference, on economic and social development and on the general well-being of the community and pays attention to the importance of social acceptance of the communities in which it operates.

For this reason, it intends to conduct its investments in respect of the territorial communities, to obtain an improvement in its reputation and legitimacy to operate.

3.8 Enhancement of people

Frascheri SpA promotes respect for the physical and cultural integrity of the person and respect for the dimension of relationship with others. It also protects and promotes the value expressed by the professionalism of employees and collaborators, to improve and increase the assets and competitiveness of the skills possessed by each company representative.

4 INTEGRATED QUALITY MANAGEMENT AND FOOD SAFETY SYSTEM

With reference to the programmatic objectives outlined in the "**Integrated Quality and Food Safety Policy**" document, **Frascheri SpA** has implemented its **Integrated Quality and Food Safety Management System**, with a view to continuous improvement and with the aim of strengthening its presence in the territory.

The need to face the increasingly demanding challenges of the market and to respond adequately to the qualitative development in progress, as well as the reflection on the internal organizational dimension (production and commercial processes, crucial roles, and skills) have made the analysis and review of all the flows of activities, translated into the Quality and Food Safety certification process, fundamental.

The requirements of the UNI EN ISO 9001 and UNI EN ISO 2200 standards have been reconsidered both in the daily practice of operational processes and in the strategic and systemic management of the company, coming to outline solutions aimed at:

- increase the effectiveness, the efficiency of its way of operating;
- plan, implement, maintain, and update the **SQSA (Integrated Quality and Food Safety Management System)** in order to provide safe products and services, in accordance with their intended use.

Frascheri SpA, as a responsible operator in the dairy and "fresh" products sector, wants to be an important reference in terms of credibility and seriousness for its customers and end consumers, for employees, collaborators and suppliers. In this sense, the **renewal of certifications**, according to the requirements of the UNI EN ISO 9001 and ISO 22000 standards, are a fundamental element in the present and for the future.

Frascheri SpA adopts, due to the activities and organizational complexity, a system of delegations of powers and functions that provides, in explicit and specific terms, for the assignment of tasks to persons with appropriate capacity and competence.

The **management system** adopted by the company complies with current legislation and is based on the organizational approach for processes that generate added value. It is aimed at ensuring fruitful and effective collaboration between its components through a harmonious balance of the different management, guidance and control roles.

This system is aimed at ensuring a responsible management of the company and transparent towards the market, with a view to creating value for members and pursuing the social and environmental objectives that involve the territory of reference.

5 RULES OF BUSINESS CONDUCT

All third parties who have relations with the company are subject to the same rules of conduct.

5.1 Information processing

All information available to **Frascheri SpA** is treated in compliance with the confidentiality and privacy of the interested parties. In this regard, specific procedures for the protection of information are defined and maintained continuously updated.

There is an internal organization responsible for processing information, which is responsible for managing roles and responsibilities in this regard and classifying information by levels of criticality. **Frascheri SpA prohibits** employees, top management, consultants of the company and third parties who work in the name and on behalf of the company from:

- expose material facts that do not correspond to the truth;
- omit information the communication of which is required by law on the economic, patrimonial or financial situation of the company;
- conceal data or news in a manner likely to mislead the recipients of the same;
- prevent or otherwise hinder the performance of the control or auditing activities legally attributed to shareholders, other corporate bodies, or auditing firms.

5.2 Fight against corruption and extortion

Frascheri SpA, in line with the values of honesty and transparency, undertakes to implement all the necessary measures to prevent and avoid corruption and bribery. It does not allow sums of money to be paid or other forms of corruption exercised to provide direct or indirect benefits to the company itself. It prohibits the acceptance of gifts or favours by third parties that go beyond the normal rules of hospitality and courtesy.

5.3 Conflicts of interest

Any activity that conflicts with the proper performance of its tasks or that may harm the interests and image of the company must be avoided. Any conflict of interest between personal and family economic activities and the tasks held in the institution to which they belong must be avoided.

Any situation of conflict of interest, real or potential, must be communicated in advance to its manager and / or to the **General Management** who will inform the Board of Directors.

This applies both if an employee or collaborator pursues an interest other than the business mission or personally takes advantage of business opportunities of the enterprise, and if the representatives of customers or suppliers, or public institutions, act contrary to the fiduciary duties related to their position.

The Company has a relationship with its directors, employees and agents based on mutual trust, inspired by the utmost honesty. Each Director who considers that he is in a situation of conflict between his personal interest, on his behalf or on behalf of third parties, and the interests of the Company, must immediately notify the General Management and/or the Board of Directors, the Board of Statutory Auditors, the specific rules provided for by the Civil Code remain valid.

5.4 Gifts and other forms of benefits

No form of gift or free benefit, promised, offered or received, which can be interpreted as exceeding normal commercial or courtesy practices, or in any case aimed at acquiring preferential treatment in the conduct of any operation attributable to the company's activity, is allowed.

The corporate representatives of **Frascheri SpA** refrain from adopting practices not permitted by law, commercial uses or any ethical codes of the companies or entities with which they have relations.

Unlawful advantages may not be attributed to public and private customers or suppliers. Any company representative who directly or indirectly receives gifts or benefits whose value exceeds the uses and customs, is required to notify the General Management that assesses the appropriateness and provides for notification to the sender of the policy of **Frascheri SpA** on the matter.

The gifts offered – except those of modest value – must be adequately documented to allow verifications and authorized by the General Management, which communicates them to the Board of Directors.

5.5 Accuracy of accounting entries

Those who are entrusted with the task of keeping the accounting records of **Frascheri SpA** are required to make each registration accurately, completely, truthfully, and transparently and to allow any checks by subjects, including external ones, responsible for this. Accounting evidence must be based on accurate and verifiable information and must fully comply with internal accounting procedures.

Each writing must make it possible to reconstruct the relative operation and must be accompanied by adequate documentation. All actions relating to the business activity must result from compliant records that allow checks and controls to be carried out on the decision-making, authorization, and execution process.

Anyone who becomes aware of any omissions, errors or falsifications is required to give written notice to their manager and to the General Management or report it by opening a **non-compliance** within the SQSA.

The responsibility for creating an effective internal control system is entrusted to the entire organizational structure that sees in the function managers the subjects in charge of involving other employees and collaborators on the aspects pertaining to them. All company representatives, within the scope of the functions and activities carried out, are responsible for the definition and proper functioning of the control system and are required to communicate in writing to the General Management, or by opening a **non-compliance** within the SQSA, any omissions, falsifications or irregularities of which they had become aware.

5.6 Protection of the Share Capital, Creditors and Market

One of the central aspects that qualify the conduct of **Frascheri SpA** is the respect of the principles of conduct aimed at guaranteeing the integrity of the share capital, the protection of creditors and third parties who establish relationships with the Company.

These values are also protected by criminal regulations that in Italy, pursuant to Legislative Decree 231/01 and s.m.i., may constitute a source of responsibility for the company, where the types of crime are carried out in the interest of the Company itself.

To this end, it is forbidden for company representatives to engage, collaborate or give cause to the realization of behaviors such as to integrate the types of crime provided for in Article 25 ter of Legislative Decree 231/01 and s.m.i. amendments (**Corporate Crimes**) and to put in place, collaborate or give cause to the realization of behaviors that, although not constituting in themselves a type of crime falling within those considered, may facilitate the commission of the aforementioned crimes.

5.7 Management of relations with the media

Consistent with the principles of transparency and completeness of information, **Frascheri SpA's** communication to the outside world is based on respect for the right to information. In no case do company representatives lend themselves to disseminating false or tendentious news or comments.

6 RELATIONSHIP WITH THE EMPLOYEES

Frascheri SpA recognizes the value of human resources, respect for their autonomy and the importance of their participation in business activities. The management of the employment relationship, pursuing an organization by objectives (expressed in the Annual Plan of Objectives), is oriented to promote the professional growth and skills of each employee also in relation to the application of incentive tools.

Any discrimination of race, sex, nationality, religion, language, trade union or political discrimination in recruitment, remuneration, promotion or dismissal and any form of favoritism shall be prohibited.

6.1 Health and Safety

Frascheri SpA is committed to protecting the moral and physical integrity of its employees, consultants and customers. To this end, it promotes responsible and safe behavior and adopts all the safety measures required by technological evolution to ensure a safe and healthy working environment, in full compliance with current legislation on prevention and protection (D. Lgs. 81/08 and s.m.i.).

6.2 Protection of the person

Frascheri SpA undertakes to ensure compliance with the conditions necessary for the existence of a collaborative and non-hostile work environment and to prevent discriminatory behavior of any kind.

The collaboration of all is required to maintain a climate of mutual respect for the dignity, honor and reputation of each one.

Employees who believe they have suffered discrimination can report the incident to the General Management and / or to their manager who will proceed to ascertain the actual violation of the Code of Ethics.

Disparities which can be justified based on objective criteria do not constitute discrimination.

6.3 Selection and recruitment of staff

Without prejudice to the obligations deriving from the provisions in force and internal procedures, the selection of personnel is subject to verification of the full compliance of candidates with a substantial adherence to the professional profiles required by the company, in compliance with equal opportunities for all interested parties.

The recruitment of personnel takes place based on regular employment contracts, since no form of employment relationship is allowed that does not comply with or in any case elusive of the provisions in force.

Frascheri SpA does not employ, for any reason and under any circumstances, foreign workers without a residence permit or with a revoked or expired permit, of which no documented application for renewal has been submitted. Any derogation, even a limited one, from the provisions of this Article shall be prohibited.

6.4 Obligations of the staff

The staff undertakes to comply with the obligations set out in this Code and must comply, in the performance of their duties, with respect for the law and base their conduct on the principles of integrity, correctness, fidelity and good faith.

6.5 Business assets

The employee uses and carefully guards the assets at his disposal for office reasons.

The different use of the assets and resources owned by the enterprise is not allowed.

Each employee is directly and personally responsible for the protection and legitimate use of the assets and resources entrusted to him for the performance of his duties. **Frascheri SpA**, in compliance with the laws in force, adopts the necessary measures to prevent distorted use of the same.

6.6 Protection of privacy

The company **protects the privacy** of its employees, according to the regulations in force on the subject, committing itself not to communicate or disseminate, without prejudice to legal obligations, the related personal data without the prior consent of the interested party.

The acquisition, processing and storage of such information take place within specific procedures aimed at ensuring that unauthorized persons can become aware of it and full compliance with the rules protecting privacy.

6.7 Confidentiality and information management

The employee is required to **keep confidential the information** learned in the exercise of his duties in accordance with the laws, regulations and circumstances. The employee must observe this duty of confidentiality even after the termination of the employment relationship, making sure that the obligations provided for by current privacy regulations are respected. He must also carefully guard the acts entrusted to him.

6.8 Information requirements

All employees are required to report promptly and confidentially to their function manager and / or to the Legal / General Affairs function any news of which they have become aware in the performance of their work activities, about **violations** of legal regulations, the Code of Conduct or other company provisions that may, for any reason, involve the company.

The function managers must supervise the work of their employees and must inform the Supervisory Body of any possible violation of the rules.

6.9 Collaborators obligations

The employee or collaborator must act loyally to comply with the obligations signed by his employment contract and by the provisions of this Code of Ethics, ensuring the services that are required of him.

If the employee or collaborator belongs to a professional category with a code of conduct or deontology (e.g. engineers, etc.), he is required to behave in full compliance with these codes. The provisions referred to in the previous points are extended to all possible collaborators, consultants, agents and agents of **Frascheri SpA**.

7 RELATIONSHIP WITH CUSTOMERS

The company's style of behaviour towards customers is based on availability, respect, and courtesy, with a view to a collaborative relationship and high professionalism.

Frascheri SpA is committed to encouraging interaction with customers through the management and rapid resolution of any complaints and using appropriate communication systems.

The company repudiates litigation as a tool aimed at obtaining undue advantages and resorts to it on its own initiative only when its legitimate claims do not find due satisfaction in the interlocutor.

7.1 Communications and contacts to customers

Communications and contacts with **Frascheri SpA** customers (including any advertising messages) must be:

- clear and simple, formulated with a language as close as possible to that normally used by the interlocutors;
- compliant with current regulations without resorting to elusive and in any case incorrect practices;
- complete, such as not to neglect any element relevant to the understanding by the customer.

Purposes and recipients of communications determine, from time to time, the choice of the contact channel (website, telephone, newspapers, e-mail, etc.) most suitable for the transmission of content without resorting to excessive pressure and solicitation, committing itself not to use misleading or untrue advertising tools.

7.2 Quality Control and Customer Satisfaction

Frascheri SpA undertakes to guarantee adequate quality and food safety standards of the products offered, based on the applicable current legislation and predefined levels indicated in the product sheets, elaborated within its SQSA.

Where deemed significant and useful, the company undertakes to consult consumer protection associations for projects that have a significant impact on customers.

Quality and food safety as a categorical imperative and attention to the needs of the consumer, also understood as sensitivity for the protection of the environment, distinguish the activity of **Frascheri** which, always, strives to offer the best, working to offer the market references that meet the satisfaction and satisfaction of its customers and that are characterized by healthiness, quality, naturalness, safety and service.

Frascheri SpA is therefore committed to ensuring the achievement of the expected quality and food safety standards and to periodically monitor the quality of the service provided to the customer.

In order to carry out a systematic listening to the customer, the Company prepares surveys, at a defined interval, of "**customer satisfaction**", as a source of information to verify objectives for improving the service.

The protection of the privacy of its customers is always safeguarded, according to the regulations in force on the subject, committing itself not to communicate, nor disseminate, the related personal, economic and consumer data, without prejudice to legal obligations.

8 RELATIONSHIP WITH SUPPLIERS

The methods of choosing the supplier must comply with the regulations in force and with the internal procedures of the company. The choice of supplier and the purchase of goods and services of any kind must be made based on objective assessments relating to the competitiveness, quality, usefulness, and price of the supply.

For the selection process, **Frascheri SpA** adopts objective and transparent criteria provided for by current legislation and internal procedures, also regarding those set out by its SQSA and does not preclude any supplier company, in possession of the required requirements, from competing to win a contract with it.

Frascheri SpA requires its suppliers and collaborators to respect ethical principles corresponding to its own, considering this aspect of fundamental importance for the birth or continuation of a business relationship

8.1 Choice of supplier

In choosing suppliers, **Frascheri SpA** considers the ability to ensure the implementation of:

- adequate and possibly certified company quality and food safety systems;
- where necessary, availability of means and organizational structures;
- competence in dealing with confidentiality obligations.

The processes of procurement of goods and services are based on the search for maximum competitive advantage, the granting of equal opportunities for each supplier, loyalty and impartiality. The selection of suppliers and the determination of purchasing conditions must be based on an objective assessment of quality, price and the ability to provide and guarantee services of an appropriate level.

Frascheri SpA has a "list of qualified suppliers" whose classification criteria do not constitute a barrier to access. To ensure transparency and efficiency of the purchasing process **Frascheri SpA operates** based on the following criteria:

- involvement of the units requesting the supply and final evaluation of the General Management that stipulates the contract;
- complete contractual formats, especially for "Frascheri male products", consisting of specifications, technical annexes and product sheets;
- reconstruct ability of the choices adopted and conservation of contractual documents.

The conclusion of a contract with a supplier must always be based on relationships of extreme clarity trying to avoid, as far as possible, excesses of mutual dependence.

8.2 Integrity and independence in relations

Frascheri SpA and the supplier must operate to build a collaborative relationship of mutual trust. The company undertakes to inform the supplier in a correct and timely manner about the characteristics of the activity, the forms, and times of payment in compliance with current regulations.

The fulfilment of the contractual services by the supplier must comply with the principles of fairness, correctness, diligence, and good faith and must take place in compliance with current legislation.

Relations with suppliers are subject to constant and careful monitoring by the company also in terms of the adequacy of the services or goods provided with respect to the agreed consideration, in accordance with the provisions of the SQSA.

9 RELATIONSHIP WITH THE SHAREHOLDERS

It is the Company's commitment to protect and increase the value of its business, in the face of the commitment made by shareholders with their corporate participation, through the enhancement of management, the pursuit of high standards in production uses and the solidity of assets. The company is also committed to safeguarding and safeguarding the company's resources and assets.

9.1 Participation in corporate governance

Frascheri SpA, aware of the importance of the role played by shareholders, undertakes to provide accurate, truthful, and timely information and to improve the conditions for its participation, within the scope of its prerogatives, in corporate decisions.

The Shareholders' Meeting is the privileged moment to establish a fruitful dialogue between shareholders and the Board of Directors. To this end, the regular participation of the Directors in the work of the Shareholders' Meeting is ensured.

9.2 Compliance with the reference standards

The corporate governance system adopted by **Frascheri SpA** complies with the provisions of the law and with the provisions of the best management practices. In this sense, it is mainly addressed to:

- maximize the value created for shareholders;
- achieve maximum transparency towards the market and the company's interlocutors;
- control the risks, assessing their "magnitude" and adopting the necessary countermeasures.

10 RELATIONSHIP WITH THE PUBLIC ADMINISTRATION

10.1 Integrity and independence in relations

To ensure maximum clarity in institutional relations, these are entertained exclusively through the Directorate General or the referents who have received an explicit mandate from the same and who do not are in situations of conflict of interest with respect to the representatives of the institutions themselves.

Gifts or acts of courtesy and hospitality to public officials and public servants are permitted to the extent that the modest value of them does not compromise the integrity, independence and reputation of one of the parties. In any case, this type of expenditure must be authorized and adequately documented.

During a business negotiation, request or commercial relationship with the Public Administration, **actions should not be taken**, directly or indirectly, that may propose employment and / or commercial opportunities from which derive advantages, for themselves or for others, to the employees of the P.A. or their relatives or relatives.

If the company is represented by a "third party" in relations with the P.A., the same directives valid for **Frascheri SpA** apply to the consultant and his staff.

Any employee who receives directly or indirectly proposals for benefits from public officials, public service representatives or employees in general of the Public Administration or other Public Institutions that configure such a case, must immediately report to the General Management, if employee, or to his company representative, if third party.

10.2 Correct information with the Public Administration

The transparency of information towards the Public Administration and in particular the supervisory bodies of contributions and tax and safety at work is a fundamental commitment of the Company. To this end, **Frascheri SpA** undertakes to:

- operate, in the most correct and transparent way, through the communication channels in charge of this with institutional interlocutors at national and territorial level;
- represent the interests and positions of the Company in a transparent, rigorous and coherent manner, avoiding collusive attitudes.

In addition, it is forbidden for directors, managers, consultants of the company and third parties to:

- falsify and/or alter statements in order to obtain an undue advantage or any other benefit to the company;
- falsify and / or alter documentary data in order to obtain the favor or approval of a project that does not comply with current regulations on the subject;
- allocate public funds to purposes other than those for which they were obtained.

10.2.1 Antitrust and regulatory bodies

Frascheri SpA gives full and scrupulous compliance with the rules issued by the regulatory authorities of the market.

11 PARTICIPATION IN INVITATIONS TO TENDER AND RELATIONS WITH CONTRACTORS

11.1 Participation in competitive comparison procedures

In participating in competitive comparison procedures, **Frascheri SpA**, in compliance with and in compliance with the procedures that are part of its SQSA, carefully evaluates the adequacy and executability of the services requested, with particular regard to the regulatory, technical and economic conditions, pointing out, where possible, promptly any anomalies and in no case assuming contractual commitments that may put the company in a position to have to make use of unacceptable savings on the quality of performance, personnel costs or occupational safety.

11.1.1 *Fairness in commercial negotiations*

In relations with the client **Frascheri SpA** ensures correctness and clarity in commercial negotiations and in the assumption of contractual obligations, as well as the faithful and diligent fulfillment of the same.

12 RELATIONS WITH POLITICAL PARTY AND OTHER ASSOCIATIONS

Frascheri SpA does not contribute in any way to the financing of parties, movements, committees and political and trade union organizations, their representatives and candidates. The company refrains from any direct or indirect pressure on political exponents, does not finance parties both in Italy and abroad, their representatives or candidates.

12.1.1 *Contributions*

Frascheri SpA can adhere to requests for contributions within the limit of proposals from bodies or associations that are openly non-profit and with regular statutes and deeds of incorporation, which are of high cultural or beneficial value and purposes intended only for events that offer a guarantee of quality.

13 RELATIONSHIP WITH THE ENVIRONMENT

The recipients of this Code, as part of their duties, participate in the process of risk prevention, environmental protection and health protection towards themselves, colleagues, customers and third parties.

13.1 Environment Policy

The company philosophy has always been oriented towards respect for nature and the environment, starting from the selection of raw materials used to obtain the products, up to the choice of packaging. Aware of the importance of protecting environmental conditions, both for the present and in the future, **Frascheri SpA**, within its sphere of activity, is committed to ensuring compliance with current regulations in the fields of environmental protection and the healthiness of service provision.

Frascheri SpA conducts its activities in a manner compatible with the balance between the economic and environmental needs of the community in which it operates, as well as imprinting them on maximum sustainability, carefully evaluating the impact of individual choices on the environment and the surrounding community also with a view to future investments.

13.1.1 Compliance with environmental legislation

The objective of sustainability is pursued through full compliance with environmental and health and safety legislation and the adoption of operational plans aimed at pursuing continuous improvement and carrying out actions to monitor the results achieved.

The Bardinetto plant has been authorized by the competent authority, with notification of "Single Environmental Authorization" (AUA), granted in accordance with D.P.R. n.59 of 13 March 2013, for the areas of competence identified as follows:

- **emissions into the atmosphere**
- **water discharges into the surface water body (disposal of industrial wastewater)**
- **noise pollution**

by the **SUAP Associated Service of the Municipality of Millesimo (SV)** on 18 February 2015, with protocol number 1410 and related annexes (valid for 15 years), including revision no. 143 / SUAP of 24 September 2016, reporting substantial changes to Annex C, concerning the requirements associated with water discharges, to which reference is made for details.

Regarding the **disposal of industrial wastewater**, the organization is equipped with a purification plant with regular authorization (see AUA above), in which the residual processing water is treated, including those deriving from the washing of the plants and premises, which once purified are discharged to the ground.

As far as **emissions into the atmosphere are** concerned, the Bardinetto plant has a thermal power plant, to produce steam necessary for the realization of the processes. Emission control is carried out by a qualified supplier once a year, in accordance with the authorization provisions.

13.1.2 Concrete commitments

Frascheri SpA has long started an intense commercial collaboration with qualified suppliers of national and international renown, also selected based on eco-sustainability criteria, as regards the supply of **packaging intended for contact with food**, with reference to milk and other references produced at the Bardinetto plant.

For the packaging of fresh and UHT products, **Frascheri SpA** uses containers in poly laminated material which, due to their compositional and functional characteristic, can be considered "the packaging of the future", representing a "renewable" resource. In fact, these are containers that constitute a perfect synthesis of eco-sustainable material: they guarantee the protection of the product inside and are obtained through a lower use of materials, energy and water, with a consequent reduction in environmental impact.

Recently the company has adopted the latest generation packaging for some references, called TETRA REX® Plant-based, made with materials from renewable and sustainable sources, completely recyclable.

The cardboard of the container is derived from cellulose obtained from FSC® certified forests, managed in accordance with strict environmental standards. The cap and the protective layers in plastic are exclusively of vegetable origin because they consist of polyethylene obtained from sugar cane, therefore without the use of fossil fuels.

Frascheri SpA highlights, as already mentioned above, that its qualified suppliers for the procurement of containers, in order to maintain constant attention to the responsible management of environmental issues and the protection of renewable resources, have acquired the FSC Certification on product traceability (chain of custody or "chain of custody" or CoC). The FSC Certification System evaluates the respect of the traceability of forest products and the path followed by raw materials, semi-finished products, finished products and co-products of the forest, up to the consumer.

FSC is an international non-governmental, non-profit organization created in 1993, which includes among its members environmental and social groups (Greenpeace, WWF, Legambiente, Amnesty International etc ...), forest owners, industries that work and trade wood, large distribution groups, researchers and technicians, who work together, in order to promote proper management of forests and forest plantations all over the world.

14 RULES FOR IMPLEMENTING THE CODE

14.1 Communication and dissemination of the Code of Ethics

Frascheri SpA undertakes to promote and guarantee adequate knowledge of the Code of Ethics, to disseminate it to the parties concerned through specific and adequate communication and information activities.

For anyone to conform their behavior to those described herein, the Company ensures an adequate training / information program and a continuous awareness of the values and ethical norms contained in the Code.

The Code of Ethics is also published on the company website for maximum dissemination to all interested parties, both internal and external to the company.

14.2 Warning

All interested parties, internal and external, are required to report verbally or in writing (with respect to the nature of the violation) and in a non-anonymous form any non-compliance with this Code and any request for violation of the same, by anyone coming to their manager or to the General Management. The authors of manifestly unfounded reports are liable to disciplinary sanctions.

Reports can be sent to the following e-mail address: info@frascheri.com.

Frascheri SpA protects the authors of the reports against any retaliation they may face for reporting incorrect behavior and to keep their identity confidential, without prejudice to legal obligations.

14.3 Violations of the Code of Conduct

The serious and persistent violation of the rules of the Code of Conduct by its recipients damages the relationship of trust established with the company and may result in the imposition of disciplinary sanctions, compensation for damage and, in cases of serious non-fulfillment, the termination of the employment relationship.

The term "**serious breaches**" identifies, for the purposes of this Code, all those persistent violation behaviors from which **penalties against the Company** derive.

With respect to employees, compliance with the rules of the Code of Conduct is an essential part of contractual obligations pursuant to and for the purposes of articles 2104, 2105 and 2106 of the Civil Code.

The sanctioning system must comply with the provisions of Law no. 300 of 20 May 1970, collective bargaining and company disciplinary codes.

14.4 Supervision of the Board of Directors

Frascheri SpA undertakes to enforce the rules through the action of the Board of Directors, which also carries out the supervisory and monitoring tasks regarding the implementation of the Code of Ethics, it must:

- continuously monitor the application of the Code of Ethics by interested parties, also through the acceptance of any reports and suggestions;
- assess any significant violations of the Code;
- express opinions on the possible revision of the Code of Ethics or the most relevant company policies and procedures, to ensure consistency with the Code itself.

The Board of Directors of **Frascheri SpA** receives and evaluates:

- ✓ punctual assessments of the company's activities for the purpose of the updated mapping of the risk activity areas prepared by the Head of the SQSA;
- ✓ The annual report on the results of the monitoring activity, prepared by the General Management, with the support of the Head of the SQSA;
- ✓ documents on corrective or preventive actions for improvement interventions on issues related to the Code of Ethics.

In carrying out its functions, the work of the Board of Directors concerns:

- a) the activation of control modes;
 - b) carrying out verification and evaluation interventions on the operation and effectiveness of the control points provided for by company procedures;
 - c) the verification of the implementation of improvement interventions indicated by preventive or corrective actions on issues involving the application of the Code of Ethics;
 - d) control measures on the financial statements and on the main transactions that fall within the sphere of possible risk of corporate crimes;
 - e) the evaluation of the annual report to the Board of Directors on the implementation of the Code of Ethics
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Drafted by the Chairman of the Board of Directors with the support of the Head of SQSA

Fiorenzo Frascheri

