

Gruppo Germinal

ETHICAL CODE

SUMMARY

1. General principles
2. Human resources
3. Customers and consumers
4. Collaboration with the World Fair Trade Organization
5. Raw materials and suppliers
6. Public Administration
7. Shareholders and the financial community
8. Competition and the market
9. Administration and accounts management
10. Management control system
11. Data processing and company asset protection
12. Sanctions for violation of laws, regulations and company directives
13. Internal audits

1. General principles

The Company philosophy can be summed up in the claim “Nourish your health”. This clearly states the commitment that our company, leader in the production of organic, health and functional foods, has taken. We walk hand in hand with our consumers from infancy to adult age, working to support their quality of life.

Consumers’ wellbeing depends on their diet and also their environment, which is why we strive to ensure our company is an example of sustainability, constantly seeking to improve each production process, from selecting the raw materials through to the production of ecofriendly packaging.

Meticulous attention is paid to selecting the raw materials, as illustrated in section 4 of this report.

We have identified the most important players in our concern as the **stakeholders** who, for the Company, are first and foremost Consumers and Customers, followed by our Employees, Collaborators, Owners, Suppliers, the Public Administration and the local Communities where we work.

The conduct of the Company is inspired by principles of company social responsibility with great focus on social, economic, environmental and safety issues. In particular The Company is determined that its conduct conforms to principles of **legality, loyalty and fairness**.

All those who work within or for our organisation must respect the company procedures and all applicable standard and regulatory dispositions.

This Code of Ethics (henceforth the “Code”), is addressed to all members of the company boards, the employees and collaborators of the Company who jointly are the recipients of the Code. The aim of the Code is to clearly define all those principles that the recipients have to observe, including in their relations with other interested parties.

The recipients must adapt their behaviour to the provisions of the Code and, through said behaviour, protect the image of The Company and all its company assets.

The Code and company procedures are distributed to the Recipients with the most appropriate communications tools. Furthermore, the Code is also available for public viewing in the Company website.

The Code is a reference document drafted for the use of the Company. It does not constitute nor could it ever be claimed that it directly or implicitly constitutes any right, duty or obligation of The Company towards any people, institutions or companies.

2. Human resources

The Company attributes **utmost importance** to all those who work for the company. In fact, thanks to the skills of our human resources the Company is able to develop and guarantee its services and to create value. Apart from the standards and principles as defined in the Universal Human Rights Declaration and the ILO (International Labour Organisation) that the Company expressly states it observes, and the provisions of standards applicable to the right to work, the Company also pays primary importance to developing the potential and career growth of each of its human resources through various tools:

- Right from initial recruitment, the respect of the personality and dignity of each individual, avoiding situations being created where anybody could feel ill at ease.
- The prevention of all forms of discrimination and abuse, for instance due to race, religion, politics, trade union membership, language, gender, sexual orientation and disabilities.
- Continuous training and information that is appropriate to each resource’s position.

- The definition of roles, responsibilities, mandates and availability of information so that each person is able to make the decisions they are responsible for in the interest of the company.
- A prudent, balanced and objective management of the powers involved with the mandate they have received by the people responsible for specific activities or units.
- Give value to spirit of initiative in observance of each one's sphere of responsibility.
- Clear, precise and truthful internal communications about company policies and strategies.
- Correct and confidential use of personal data.
- A workplace that guarantees the health, safety and comfort for the users.

The Company also believes that everybody should be involved in order to create a workplace that satisfies these principles.

In particular, in their relationships with their collaborators everybody must behave according to **principles of civil living and a spirit of total cooperation**. Furthermore, situations and decisions must be avoided that could cause real or apparent conflicts of interest with the Company. Any situation that could be or cause a conflict of interest must be promptly reported to the person's direct superior.

3. Customers and consumers

The Company pursues the goal to satisfy its Customers and Consumers by supplying top quality products and good terms and prices, **in full respect of applicable laws and standards** in the reference markets, considering always our commitment to improve quality of life as summarised in the claim "Nourish your health".

More specifically, the high quality standards for our products are also assured by the numerous product certifications we have obtained and which we undertake to constantly maintain and respect.

The Company strives to ensure courtesy, care, correctness and clear communications are distinctive features in all our customer relations.

4. Collaboration with the World Fair Trade Organisation

The Company management is proud to collaborate with suppliers in the WFTO (World Fair Trade Organisation) circuit, i.e. able to manage and certify fair trade chains with the producers. These organisations have built fair and continuous relations with the producers ensuring they receive fair prices and, when appropriate, they also provide advance loans and support for their development projects.

5. Raw materials and suppliers

In our purchasing policies, we do not underestimate the economic aspects, but has the primary objective of selecting and purchasing **high quality organic raw materials**. As far as possible, raw materials favouring the healthy and functional aspect of the finished product are preferred, whole-grain flours for the

contribution in fibres useful for good intestinal functioning, different varieties of cereals for the importance of a varied and balanced diet, extracts for their supply of valuable nutrients, oils and fruits.

In the formulations of our products we use only natural raw materials and we **refuse to use colourants, preservatives, hydrogenated fats and genetically modified organisms.**

With a view to ensuring operating methods compatible with respect for human rights, workers and the environment, The Company specifically requires its Suppliers to refrain from all forms of child labour and discrimination, abuse or coercion affecting workers, and to comply with current environmental legislation, also adopting company policies to reduce the consumption of raw materials, reduce waste and harmful emissions and generally limit the environmental impact of its activities.

The Company, although inclined to create stable relationships and partnerships, periodically revises its Suppliers List in order to rationalise it and increase its economy and efficiency. Therefore, no potential Suppliers, in possession of the necessary requirements, should be denied the chance of competing to offer their products and services. Purchasers must not accept any gifts or other benefits that may create embarrassment, affect their choices or raise doubts that their conduct is not transparent and impartial; free gifts of modest value are admitted, such as to be within the limits of normal courtesy in the working relationship.

6. Public Administration

In full respect of their respective roles and functions, as well as with a spirit of maximum collaboration, The Company maintains relations with various State administrations, Public Bodies, Local Administrations, public law organisations.

In particular, relations with the Supervisory Authorities must be based on criteria of **transparency** and **professionalism**, recognition of the respective roles and organisational structures, also for the purposes of a positive comparison whose ultimate purpose is the substantial compliance with the applicable regulations.

The Company prohibits offering, directly or through intermediaries, any sums of money or other benefits to public officials or civil service employees in order to influence them in the performance of their duties, whether to encourage them to act in a specific sense or to omit to act.

To ensure this The Company implements measures to prevent behaviour by those acting in the company's name and/or on its behalf, which could in any form configure corruption of a public official or a civil service employee. No gifts or acts of courtesy and hospitality to government representatives, public officials and public employees are allowed, unless they are of modest value and in any case such as not to compromise the integrity or reputation of either of the parties or to be interpreted, by an impartial observer, as aimed at unduly and/or improperly acquiring advantages.

Contributions to political parties, political organisations or individual politicians are not permitted in principle. Any request for an exception to this rule must be submitted to the Board of Directors in advance.

7. Shareholders and financial community

The Company provides the shareholders and the financial community with adequate information, through a timely communication flow using a variety of channels, such as our website, newsletters, conferences and press releases.

8. Competition and the market

In relations with Customers and Suppliers, The Company undertakes to comply with EU and national laws that protect fair competition and to deal with markets exclusively on the basis of the quality of our services.

The Company intends preventing any agreement or behaviour taken in its name and/or on its behalf from constituting an illicit restriction of competition. The Recipients of this document must act accordingly.

A high level of ethics and integrity in business also ensures the credibility of our organisation and improves its image. We are committed to observing the laws and regulations of the countries in which we operate, and to behaving in a manner consistent with **honesty** and **fairness** in all aspects of our work, demanding the same behaviour from each of our contacts.

9. Administration and accounts management

The Company undertakes to respect the laws and, generally, the applicable regulations concerning the preparation of financial statements and any type of mandatory administrative and accounting documentation.

The Company accounting is based on generally accepted accounting principles. The corporate information and data provided to third parties and the accounting records of management events must guarantee **transparency, accuracy and completeness**.

All company departments are required to cooperate fully so that the management facts are represented correctly and promptly in the company accounts.

For each accounts posting that reflects a corporate transaction, adequate supporting documentation must be retained. This documentation must allow identifying the reason for the transaction that generated the posting and the relative authorisation. The supporting documentation must be easily retrievable and archived according to suitable criteria that allow easy consultation by any internal and external bodies authorised for the control.

Those who become aware of any omissions, tampering, falsification or negligence in the accounts or supporting documentation that the accounts records are based on, are required to report the facts to their immediate superior.

10. Management control system

The Company has set up an internal management control system aimed at guiding, managing and verifying the company's activities, with **the aim of ensuring the effectiveness and efficiency of all operations**. Each company department must be made aware of the need for such a system and is held responsible, as far as each one is concerned, for the compliance of their activities with the company's decisions and procedures. Top management is the corporate department responsible for monitoring and evaluating the effectiveness and efficiency of the management control system.

11. Processing information and protecting company assets

Without prejudice to compliance with the specific legislation regarding personal data protection and processing, the Recipients of this document are required to treat all data and information of which they are aware in the most appropriate manner to **protect the legitimate expectations of those concerned with regard to their confidentiality**.

The performance of the activities of the Company involves the acquisition, storage, processing, communication and circulation of documents, studies, data and information of various kinds. This information, once acquired and/or processed by The Company can be used, communicated or disclosed only in full compliance with the diligence and loyalty obligations that derive from current regulations and labour contracts. The information to be protected includes, by way of example, that relating to human resources, intellectual property rights and the business of The Company.

For the continuous improvement of the internal management system, and also in order to reduce the risk of cyber-crimes, the company has approved the Privacy Organizational Model ("M.O.P.") and the Company IT Regulations.

The Privacy Organizational Model ("M.O.P.") is the document drawn up in compliance with (EU) Regulation 2016/679 (GDPR); in particular, on the basis of the art. 32 regarding the risk assessment in data processing and the appropriate organizational and technical measures to guarantee an adequate level of security. It covers the data processing and it has the following objectives:

- ✓ improve awareness of the risks about data processing with the aid of electronic tools, with particular reference to information systems and carry out a risk assessment on the processing of personal data;
- ✓ identify and define adequate technical and organizational measures aimed at preservation, correct management and correct use of the corporate information assets;
- ✓ adopt suitable control measures in order to contain risks, preventing potentially dangerous situations;
- ✓ provide adequate behavioral and procedural instructions to the parties involved in the management of individual data processing.

The **Company IT Regulations** sets prescriptions about the use of workstations (PC, tablet, company e-mail box, internet browsing, etc.), considering the right of personal data protection, the need for the processing to be regulated by ensuring a high level of protection for individuals, as well as the principles of simplification, harmonization and effectiveness, as per EU Reg. 2016/679.

12. Sanctions for the violation of laws, regulations and company directives

Failure to comply with the rules of the Code by the Recipients involves **different sanctions** depending on the role of the Recipient concerned, in addition to **compensation for any damages** deriving from such non-compliance.

The observance of the provisions contained in this Code by Employees and Collaborators is added to the general duties of loyalty, correctness, fulfilment of the work contract in good faith, and is also required on the basis and for the purposes of art. 2104 of the Civil Code ("Diligence of the employee"). Violations of the rules of this Code constitute a breach of the obligations arising from the employment relationship, with all contractual and legal consequences, also with reference to the relevance of the same as a disciplinary offense and/or retention of employment.

Compliance with the Code is an absolutely necessary requirement for the Company and for all of its employees and collaborators. The Company is confident that all employees and collaborators are aware of the laws that affect their business. The Company also trusts that the respective Managers provide the necessary instructions and advice.

Finally, The Company undertakes to ensure that employees, collaborators or other contacts have accessible systems to report potential violations.

13. Internal audits

If the Company receives a specific request from one of the interested parties, ample opportunity is given to carry out checks at the company headquarters.

In response to a specific request, the Management acknowledges it and takes action to handle the request, agreeing what is necessary for carrying out the verification in terms of:

- Date
- Control methods
- People to contact
- Documentation to be produced
- Logistical details for the initial and final meetings
- Availability of documents to be shown.

Being however sensitive data, the Management of the Company reserves the right to establish the level of analysis of the contents that the Management will make available to its investigators.

Any photographs and/or videos may be made only with the prior consent of the Management, who reserve the right to review the images taken, lower the resolution and/or make cuts, shading or any other changes deemed necessary to safeguard the confidentiality of information about the company, its products, employees and collaborators.