



Organization Management and Control Model

D.Lgs. no. 231/2001

Code of Ethics

Attachment no. 1



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1 INTRODUCTION

“I.P.S.A. SPA (Company for the preparation of Special Food Products)”, CF/PI: 00354930448, based in Castignano (AP), Rufiano District no. 29, is a food producer company with over 40 years’ experience. Despite it is not obliged to plan, implement and adopt an organization, management and control Model pursuant to Legislative Decree no. 231/2001, the Company deemed it appropriate to apply Model no. 231 and, in particular, this Code of Ethics, which is an integral and fundamental part of it. The aim is to prevent the commission of corporate crime and improve the company’s overall efficiency and effectiveness.

I.P.S.A. SPA firmly believes that it is necessary to embrace ethical behaviours and adopt an organizational structure that fits its dimensions and characteristics, thereby ensuring the fulfilment of the obligation placed on the entrepreneurs by article 2086 of the Civil Code. Specifically, the obligation to apply an organizational, administrative and accounting structure that is adequate for the nature and dimensions of the company, and to promptly detect the signs of a crisis and the loss of business continuity; as well as the obligation to immediately proceed with the adoption and implementation of one of those instruments provided by the regulations to overcome the state of crisis and restore the going concern.

The Code embodies the main ethical values and principles leading the entire business activity of I.P.S.A. SPA and regulating the relationships with stakeholders.

2 MISSION STATEMENT

The mission of I.P.S.A SPA is:

- to implement an organizational structure that empowers all the employees, depending on their functions and tasks;
- to give the company staff members some specific assignments and tasks that are consistent with their positions;
- to monitor all the business activities, with particular attention to those at risk of committing crimes;
- to improve the company image through the establishment of stakeholder relations based on clearness, loyalty and transparency;
- to designate an operationally autonomous and independent Supervisory Body, that is composed of members with diversified professional experiences and that efficiently supervise the entire business management;
- to boost the efficiency and effectiveness of the business management and control;
- to ensure a safe and healthy workplace;
- to respect the environment;
- to meet customer needs and demands with professionalism and fairness;
- to constantly maintain a role of primary importance among national and international food companies;
- to run its industrial activity allowing all its clients, suppliers and partners to fully realize their expectations, which are based on professionalism, experience and honesty.

In the end, the mission of I.P.S.A. SPA is to be at the disposal of customers, guaranteeing the high level of professionalism required by the sector in which the company operates.

3 CODE OF ETHICS OF IPSA SPA AND RECIEPENT SUBJECTS

I.P.S.A. SPA, within the scope of the activities related to its business purpose, constantly aims at establishing and maintaining relationships of absolute trust with clients, suppliers and business partners, institutions and public entities, by taking business actions and decisions in full compliance with the Law.

Indeed, the Code of Ethics contains the general principles of legality that inspire the conduct of all its recipients.

In accordance with this document, and with the whole Model no. 231 in general, all members of the administrative and control bodies, all employees, consultants, partners, and subjects holding a position within the company or having a working relationship with it, are considered to be recipients.

4 LEGAL FRAMEWORK

The main relevant regulations are listed below:

- Articles 2086, 2094, 2103, 2104, 2105, 2106, 2118, 2119 of the Civil Code;
- Art. 7 of Law no. 300 of 1970, Workers' Statue;
- Collective Agreement;
- European Regulation no. 679/2016;
- Legislative Decree no. 231 of 2001, - "Administrative liability of Entities" and subsequently amendments and/or additions;
- T. U. no. 81 of 2008 on Workplace Health and Safety and subsequently amendments and/or additions;
- Legislative Decree no.152 of 2006 on Environmental matters and subsequent amendments and/or additions;

- International and national regulations on food matters.

5 CONTRACTUAL VALUE OF THE CODE OF ETHICS

The company considers the constant respect for the rules contained in this Code of Ethics to be a fundamental part of the employee's obligations, pursuant to articles 2104, 2105 and 2106 of the Civil Code. Their violation causes the application of disciplinary sanctions.

Art. 2104 c.c., known as 'Diligence of the employee', states: *"The employee shall use the diligence required by the nature of the job, the interest of the Company and the superior interest of the national production. Moreover, the employee shall respect the orders issued by the employer and his collaborators"*.

Art. 2105 c.c., known as 'Duty of loyalty', states: *"The employee shall restrain from any activity in competition with his/her employee, both on his/her own and for other companies, being employed by these. Furthermore, the employee shall not disclose or use any organizational and productive information about the company, or make use of it in any way that can be dangerous for it"*.

Art. 2106, known as 'Disciplinary Sanctions', states: *"The failure to comply with the provisions contained in the two preceding articles may lead to the application of disciplinary sanctions, as per the gravity of the infringement"*.

As regards third parties, who are bound to the company by contractual relationships, the respect for the Code of Ethics will be envisaged in the contracts themselves and guaranteed through specific termination clauses.

6 VIOLATION OF THE CODE OF ETHICS AND APPOINTMENT OF A SURVEILLANCE BODY

The respect for the rules contained in the Code of Ethics and in Model 231 is ensured by the appointment of a Supervisory Body and the adoption of a specific Disciplinary System.

Therefore, the company has:

- designated a corporate Supervisory Body (in short SB) with independent power of initiative and control. It has the task of monitoring compliance with the rules and principles contained in this Code, and in Model 231 in general, by their recipients;

- approved a Disciplinary System that aims at punishing all the conducts non in line with the principles contained in this Code of Ethics and, therefore in Model 231. In this respect, the System implies the application of sanctions that are proportional to the gravity of the conduct and to the position hold by the offender. For example, employees will be subject to the sanctions provided by the National Collective Labour Agreement; while clients, suppliers and collaborators will be subject to “*clauses 231*”, which are specially included in the contract in order to establish the resolution of the contractual relationship in case of violation of the behavioural rules contained in the Code of Ethics.

As to the specific discipline of sanctions, please refer to the ‘Disciplinary System’ document.

In accordance with this document, the company, even through the appointment of the SB, undertakes:

- to provide explanations on the discipline referred to in Legislative Decree no. 231/2001 e in the contents of the Code of Ethics;

- to assess the conducts of all employees and, in case of violation of Model 231, to apply the specific sanctions provided by the Disciplinary System.

7 GENERAL PRINCIPLES OF CONDUCT

In performing our business, we respect the principles of transparency, fairness, honesty and good faith.

The governance system and the organization of the different business functions allow the company to pursue its goals efficiently and effectively, and in full compliance with the law.

Furthermore, IPSA SPA is committed to sharing its knowledge and experience among its strategic business resources in order to enrich the entire company with new and innovative know-how.

All the company staff members must operate in accordance with the dictates of this Code of Ethics. Besides, in no case can the conviction of acting on behalf or in the interests of the company justify behaviours that are contrary to the rules and principles mentioned above.

8 THE IMPLEMENTATION OF THE CODE OF ETHICS

8.1 Fairness and professionalism

The behaviours of internal (e.g. employees) and external subjects (e.g. collaborators) are based on the maximum fairness and loyalty and on the formal and substantial legitimacy.

Each employee, both senior and junior, carries out duties and tasks with commitment, collaboration and professionalism. In doing so, they aim at safeguarding and protecting the corporate image and reputation in the market.

8.2 Client Relationships Management

I.P.S.A. SPA pays the utmost attention to the implementation and maintenance of excellent relationships with its clients over time, in order to achieve the highest level of customer satisfaction in any circumstances.

The key factors affecting the degree of customer satisfaction are:

- the features and quality of the products so as to satisfy the most diversified needs and expectations;
- the courtesy, respect, professionalism and helpfulness of the subjects dealing with clients and potential clients;
- the credibility and reputation of the company so as to gain customer trust over time;
- the knowledge of the market and the peculiarities of the different types of clients so as to adopt some strategies and diversified relationships.

With regard to contractual relationships and communications with clients, the company is committed to providing clear, complete and transparent information, in accordance with current legislation.

Therefore, the company aims at increasing its market success offering products that are characterized by adequate quality and safety standards and that meet customer expectations.

To that end, internal and external employees (e.g. agents) must:

- observe the company protocols, procedures and practices adopted for the management of customer relationships;
- handle customers with the utmost courtesy, availability and professionalism;

- ensure customer confidentiality, with particular reference to personal data in compliance with Reg. EU. 679/2016 (GDPR);
- provide exhaustive information about the products we supply in order to give customers the opportunity to take informed buying decisions.

8.3 Management of supplier and external collaborator relationships

Relationships with suppliers and external collaborators are likewise based on principles of fairness, loyalty and transparency.

I.P.S.A. SPA is committed to spreading the principles contained in this Code of Ethics among suppliers and external collaborators and to enforcing them.

I.P.S.A. SPA staff must:

- observe both the internal instructions for the management of purchases and company protocols and the operating practices concerning the management of supplier and external collaborator relationships;
- use objective and provable selection criteria for suppliers and collaborators;
- observe and enforce the agreed contractual conditions;
- obtain the insertion of termination clauses in case of non-compliance with the rules and principles contained in this Code of Ethics;
- inform the executive board about important problems that arose with suppliers or external collaborators.

8.4 Management of the relationships with the Supervisory Authorities and the Judicial Authority

The relations with the supervisory authorities must be based on collaboration, transparency and fairness.

Such relationships must be handled exclusively by the executive board and the relevant company department, which are both committed to promptly supplying all the documents and the information required.

In the same way, relationships with the Judicial Authority must be transparent, correct and cooperative.

Specifically, it is forbidden to:

- induce anyone not to make statements or to make mendacious statements to the Judicial Authority;
- offer or promise money or other benefits to those who must make statements to the Judicial Authority.

The person who has been called to make a statement in front of the Judicial Authority and who has been subjected to behaviours that can influence his/her declaration, must immediately report the event to the SB.

The company management must promptly notify the Supervisory Body of any ongoing legal proceedings, even if it is potentially important for the purposes of Legislative Decree no. 231/2001.

8.5 Management of the relationships with Public Administration, public officials, public service officers

Relationships with Public Administration, public officials and public service officers must protect the company image and, therefore, must be based on absolute transparency and fairness.

The company instructs and empowers the business functions deputed to interact with the above-mentioned subjects.

There is also the express prohibition, extended to all the recipients of Model no. 231, on offering money or any other benefits, even through a third party, to public officials, their family members or subjects that are somehow related to them. Moreover, there is the prohibition on seeking or establishing a personal relationship with public officials with the aim of directly or indirectly influencing their work.

8.6 Management of the relationships with political and labour organizations

I.P.S.A. SPA doesn't make any direct or indirect contributions, in any form, to political parties, movements, committees, political and labour organizations, or to their representatives and candidates.

8.7 Administrative and accounting management

All the corporate functions responsible for the administrative and accounting management of the company, including the Board of Auditors as a supervisory body, must:

- perform all the tasks concerning the preparation of the company accounts and the corporate and accounting documents by applying the related accounting principles. Furthermore, such tasks must be carried out in full compliance with the law, the company procedures and practices. Indeed, the business accounts must provide a true and clear representation of the asset, financial and economic situation of the company and must contain complete and not misleading information.

- ensure respect for the rule of law aimed at protecting the integrity of the share capital.

Besides being subject to specific accounting registrations, all the business operations having financial, economic and/or patrimonial effects must be equipped with adequate documents in order to ensure that both internal and external checks can be run at any time.

Each recipient of Model no. 231 is expected to notify their supervisor and/or the Supervisory Body of any falsification and/or operation that can be considered to be an offense as envisaged by art. 25 *ter* of the Legislative Decree no. 231/2001.

8.8 Management of the financial resources

Pursuant to art. 6, paragraph 2, letter c) of the Legislative Decree no. 231/2001, the company manages and constantly monitors the financial resources in order to avoid the commission of a crime and, in doing so, it acts in full compliance with the business procedures and practices.

Outgoing financial flows must be authorized by the competent department, must be traceable and it must be possible to monitor at any time the operation related to each payment.

Each financial operation, both ingoing and outgoing, must be consistent, adequate, correctly registered, authorized and verifiable.

8.9 Gifts, free items and other benefits

All I.P.S.A. employees must not accept gifts, free items and other benefits that are connected to the activities carried out on behalf of and in the interest of the company, unless they are of small size.

Furthermore, they must inform the business management in case they have spontaneously decided to accept gifts, free items or other benefits that they have considered to be of modest value. The business management will then decide whether or not such items must be returned and will consult the Supervisory Body if need be.

In the same way, I.P.S.A. SPA does not allow the distribution of gifts, free items or other benefits that are not of modest value or that exceed the usual commercial practices.

8.10 Conflict of interest

Each employee, both senior and junior, must avoid and report any conflict of interest between personal and/or family businesses and their job within the company.

For example, the abuse of entrusted power or of information acquired in the exercise of corporate functions for personal gain or for the benefit of third parties can cause conflicts of interest.

In any case, I.P.S.A. SPA employees are expected to avoid all the situations that can affect, even potentially, their decision-making capacity, which should guarantee their ability to act in the company's best interests.

9 HUMAN RESOURCES

9.1 Relationships with employees, development and protection of human resources

Considering that the company operates in a sensitive area, that is the food sector, I.P.S.A. SPA acknowledges the fundamental importance of its human resources.

The scrupulous execution of the tasks by all staff members, both senior and junior, is a key condition for the achievement of the company goals.

I.P.S.A. SPA is committed to constantly searching for and ensuring its employees the acquisition of the appropriate competencies, which are diversified according to their job.

The company makes sure that all its human resources have equal job and career opportunities within I.P.S.A. SPA through:

- the use of recruitment, selection and promotion criteria that are free from all forms of discrimination and are based on merit;
- the creation of a healthy work environment which enables the development of each individual's potentiality.

9.2 Harassment, mobbing in the workplace and violence

I.P.S.A. SPA does not allow harassment or mobbing of any kind.

Furthermore, any form of physical and psychological violence is strictly forbidden.

9.3 Prohibition on smoking and alcohol/drug consumption

The company does not tolerate the use of drugs and/or alcohol during working hours.

Smoking is severely prohibited within workplace premises.

10 CONFIDENTIALITY, PRIVACY AND USE OF THE INFORMATION SYSTEMS

10.1 Confidentiality

The characteristics of I.P.S.A. SPA activities and manufacturing processes require all the employees to pay particular attention

and confidentiality as to information, news, relations and know-how developed during the working/professional relationships with the company.

The knowledge and documents acquired by staff members cannot be communicated and/or disclosed outside the company without the express authorisation of the executive board.

Indeed, I.P.S.A. SPA recommends its employees to maintain the highest standards of confidentiality as regards the different products and manufacturing processes. That is also to avoid the violation of any trademark, patent and hallmark rights.

10.2 Personal data processing

The European General Data Protection Regulation UE 2016/679 (GDPR) defines:

- personal data as *“any information relating to an identified or identifiable natural person («data subject»); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person”*;

- processing as *“any operation or set of operations which is performed on personal data or on sets of personal data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction”*.

Within the scope of its activities, I.P.S.A. SPA can process personal data and, in some cases, specific categories of personal data pursuant to art. 9 of the GDPR.

In accordance with art. 32 of the GDPR, I.P.S.A. SPA is committed to implementing *“appropriate technical and organisational measures to ensure a level of security appropriate to the risk”*, thus ensuring that personal data and, above all, the special categories of personal data are legally, correctly and securely processed. The aim is to reduce the risk that such data can be destroyed or lost, even accidentally, and that unauthorized persons can process, read, modify and use them improperly or for a purpose that is different from the reason they have been collected.

10.3 Use of the information systems

Each employee is expected to use the information systems in compliance with the law, licence conditions and company operational practices.

Therefore, it is forbidden any illicit use of such information systems. The company will monitor the daily usage that the employees make of them in order to prevent and reduce the risk of committing crime, with particular reference to those envisaged by art. 24 *bis* of the Legislative Decree no. 231/2001 - Data processing crimes and illicit processing of data.

11 DIFFUSION, REVISION AND SURVEILLANCE OF THE CODE OF ETHICS IMPLEMENTATION

11.1 Communication and diffusion of the code of ethics

The company is committed to diffusing the Code of Ethics to all its recipients and to communicating its rules and principles to them.

I.P.S.A. SPA makes the same commitment even in case of revisions and updates of the Code. To this end, once it is updated, it is published on the company official website.

11.2 Revision and update of the Code of Ethics

As for any other document contained in Model no. 231, the revisions and updates that the Supervisory Body deemed necessary must be approved and adopted by the executive board.

Once the document is approved, it is transmitted to the Supervisory Body.

11.3 Surveillance of the Code of Ethics implementation

Monitoring the correct application of the Code of Ethics is mainly a responsibility of each employee, who is expected to send the Supervisory Body any circumstantial report of illicit conduct, by following the procedures described in the next paragraph.

However, it's the Supervisory Body that is responsible for monitoring the observance of the rules contained in the Code. The Body can find out about illegal conducts through the receipt of reports or the periodical controls that it is obligated to do.

If Model no. 231 is violated, the SB can suggest to the competent body the application of one of the sanctions envisaged by the Disciplinary System.

12 REPORTS OF ILLICIT CONDUCT

All recipients of this Code of Ethics are encouraged to send the SB any circumstantial report about illicit conducts or violations of Model no. 231 in order to inform it of situations or circumstances

that are potentially at risk of committing one of the crime foreseen by Model no. 231.

Such reports must be transmitted in writing and have as subject matter each violation or suspected violation of the Model and of the Code of Ethics.

The confidentiality of the whistle-blower identity is guaranteed, so that he/she is protected from any form of retaliation, discrimination or penalization.

Indeed, Model no. 231 of I.P.S.A. SPA, in compliance with art. 6 of the Legislative Decree no. 231/2001 as amended by art. 2 of the Law no. 179 of the 30.11.2017 (concerning *Whistleblowing, "Protection of employees or collaborators reporting on crimes in the private sector"*) provides:

- a) one or more channels that allow the subjects mentioned in Article 5, paragraph 1, clauses a) and b) to submit, in the interest of the entity's integrity, detailed reports of unlawful conduct, which must be relevant pursuant to this Decree and based on specific and consistent evidence, or of violations of the company's Organization and Management Model, of which we became aware because of the functions performed; such channels must guarantee the confidentiality of the identity of the whistle-blower during the management of the report;
- b) at least one alternative reporting channel that guarantees the confidentiality of the identity of the whistle-blower through IT tools;
- c) the prohibition of direct or indirect retaliatory or discriminatory acts against the whistle-blower for reasons that are directly or indirectly related to the report;

d) sanctions against anyone who violates the measures protecting the whistle-blower, and anyone who makes groundless reports with malice or gross negligence. Such sanctions are provided by the disciplinary system adopted in compliance with paragraph 2, clause e).

Furthermore, it is specified that:

- as long as it is about measures within its competence, the adoption of discriminatory behaviour against whistle-blowers can be reported to the National Labour Inspectorate not only by the whistle-blower but also by the trade union he/she indicated;

- retaliatory or discriminatory dismissal of the whistle-blower are null and void. Any change of duties pursuant to Article 2103 of the Italian Civil Code, as well as any other retaliatory or discriminatory measure adopted against the whistle-blower, are also null and void.

In case of disputes related to the implementation of disciplinary sanctions, or to demotions, dismissals, transfers, or subjecting of the whistle-blower to another organisational measure having a direct or indirect negative effect on his/her working conditions and following the submission of the report by the whistle-blower, it is the employer's responsibility to prove that such measures are based on reasons unrelated to the whistle-blower's report itself.

The report can be made:

- by sending an email to the certified address: ipsaadv@legalmail.it, to which only the SP has access by virtue of its functions of surveillance;

- by sending a formal letter to the attention of the SB (or the Chairman of the SB) at the Registered Office address of I.P.S.A.

SPA, writing “*confidential document-do not open*” on the outside of the envelope;

- by contacting a member of the Supervisory Body.

13 QUALITY, ENVIRONMENT, HEALTH AND SAFETY

The quality, health and safety in the workplace and the surrounding environment are core issues for I.P.S.A. SPA, and the respect for the related regulations is a key condition for the achievement of its business goals.

The management system of I.P.S.A. SPA conforms to ISO 9001:2015 (Quality Management System). Indeed, the company runs its business in full compliance with the regulations that concern workplace health and safety and that are meant to protect the environment.

For example, the company, in accordance with art. 15 of the T.U. n. 81/2008, is committed to:

- transmitting the workplace safety culture to all employees through learning and training activities;
- assessing and preventing any risk related to workplace health and safety;
- eliminating all risks and, if it is not possible, minimizing them in relation to the knowledge acquired thanks to technological progress;
- respecting the ergonomic and health principles when organizing workplaces, choosing machineries and pieces of equipment, and when defining work and production methods;
- replacing what is dangerous with what is not dangerous or less dangerous;

- planning measures deemed appropriate to ensure the improvement of the safety levels over time, even thorough the adoption of codes of conduct and good procedures;
- guaranteeing the use of adequate protective equipment by the employees in order to prevent workplace accidents;
- giving instructions and training to employees through the competent business department.

On the other hand, all the employees must follow the instructions given by the employer, managers and supervisors and be aware of the consequences of their actions or omissions about themselves or others.

In the end, with regards to the environmental issue, I.P.S.A. SPA is fully committed to observing the related regulations and is aware that a meticulous attention to the environmental protection and safeguarding is a key condition for properly running its business activity.

Approved by determination record of the Sole Director on the 14.05.2020