

# **Lactalis Group Italy**

## **Code of Ethics**

Approved by the Board of Directors of Gruppo Lactalis Italia S.r.l.  
on December 18, 2020

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## INTRODUCTION

Gruppo Lactalis Italia S.r.l. (hereinafter also referred to as "GLI") is the parent company of a group of companies operating mainly in Italy in the food sector and in particular in the dairy sector (hereinafter referred to as the "Group"); GLI belongs to the Lactalis Group, an international family group based in France which, for more than three generations, has been operating in the sector, producing and marketing mainly dairy products, combining both tradition and innovation, in opting for the best raw materials, constantly searching for excellence at every stage of the production process, and in respecting people and the environment.

GLI is aware of the influence it exerts, through its presence and activities, in terms of economic and social development, and with respect to the economic well-being of the communities in which it operates; GLI attaches great importance to the creation of value for stakeholders, as well as in generating sustainable development in the communities in which it operates. The sustainability of business activities cannot ignore the role of social responsibility played by this food group, which focuses on the development, preparation and sale of products of high organoleptic and nutritional quality for the benefit of consumers.

Aware of this role, GLI's policy is to consistently pursue high standards of conduct, effectively creating a reputational value as an integral part of the group's assets; profit measures the growth and success of the Lactalis Group only if combined with factors that improve the socio-economic context in which it operates and on which the group has undertaken an organisational process aimed at reporting on its concrete actions through the preparation of a specific sustainability report.

By adopting the principles established in the Universal Declaration of Human Rights of 1948, and those established by the Fundamental Conventions of the ILO (International Labour Organisation), GLI absolutely wishes to confirm the ethicality of its conduct as the primary hallmark for its business activities, as well as its managerial choices and social responsibility.

The Board of Directors of GLI has therefore adopted a code of ethics (hereinafter referred to as the "Code of Ethics") which incorporates the ethical principles and values on which the Group's identity and culture are based, and which must guide the business conduct and activities of all those who operate on behalf of the Group or who have relations with it.

The Code of Ethics represents a tool with which, in carrying out its mission, the Group undertakes to contribute, in accordance with the law and with the principles of loyalty and fairness, towards the social and economic development of the territory, through the organisation and provision of its services.

The Code of Ethics also represents the presupposition and main reference of the Organisation, Management and Control Model of the Group's individual companies, and of the system of sanctions for the violation of the rules established in the Code, and which each of these companies has adopted pursuant to Legislative Decree No. 231 of 2001, integrating the regulatory framework with which each company complies.

## **1. RECIPIENTS**

The Code of Ethics applies to GLI and its directly and indirectly controlled subsidiaries. All Group companies adopt this Code of Ethics by resolution of the Board of Directors (or equivalent body) and undertake to enforce its contents.

The Code of Ethics applies to all those who hold management administration or representation positions within the Group, and to all employees without exception, as well as to members of the Board of Statutory Auditors, external collaborators, and any other parties exercising relations with the Group, whether directly or indirectly, permanently or temporarily, or working to pursue the Group's objectives, such as customers, suppliers, partners, consultants and, more generally, all those coming into contact with the Group in various ways (hereinafter "Recipients").

## **2. DISTRIBUTION AND UPDATING OF THE CODE OF ETHICS**

GLI is committed to disseminating the Code of Ethics through the tools and initiatives deemed most appropriate and effective.

The Code of Ethics is made available on the website [www.gruppolactalisitalia.com](http://www.gruppolactalisitalia.com).

The GLI Board of Directors will periodically review the Code of Ethics to ensure that it is kept up-to-date.

The Code of Ethics includes also principles contained in the Lactalis Group's "*Anti-corruption Lact@Policy*", as approved by the Board of Directors of each company within the Group.

For the avoidance of doubt, all principles of this Code of Ethics which refer to anti-corruption rules (as referred under Sections 4 and 5 herein below) will be considered as the GLI "*Anti-corruption Lact@Rules*" and must be read as such.

### 3. ETHICAL PRINCIPLES AND VALUES OF THE LACTALIS GROUP

#### ***Legality***

The Group acts in compliance with the laws and regulations in force from time to time, and with its internal rules and provisions. In no case may the pursuit of the company's interest justify conduct contrary to laws and regulations, ethical principles, values and rules of conduct of this Code of Ethics and internal rules.

#### ***Transparency and fairness***

The Group acts in compliance with the principles of transparency, fairness and good faith, guaranteeing integrity, reliability, uniformity and promptness of information, avoiding misleading communications and behaviour.

#### ***Respect for diversity***

The Group promotes the independence of each individual, recognising the value of diversity, whilst rejecting and condemning all forms of intolerance, harassment and discrimination, based on gender, race, nationality, age, political opinions, religious beliefs, sexual orientation or health status.

#### ***Protection of health and safety in the workplace***

The Group acts with respect for the dignity and personality of its employees.

The Group recognises the right to collective bargaining as an expression of the freedom of association of workers, and is committed to ensuring the protection of health and safety in the workplace and to spreading a culture of safety through the promotion of prevention and training activities in this area.

#### ***Protection of the environment and animal welfare***

The Group respects the environment as a resource to be protected, for the benefit of the community and future generations. It is committed to ensuring the protection of the environment in the execution of its activities and the limitation of impacts due to such activities, by pursuing a continuous improvement in environmental *performance*, with interventions aimed at minimizing environmental impacts, obtaining maximum energy efficiency, reducing and recovering waste and containing pollut-

ing emissions.

As an active part of the food chain, in its policy of sourcing raw materials of animal origin, the Group supports suppliers who, through an agreed improvement plan, have committed to operating in accordance with recognised animal welfare standards.

#### 4. RULES OF CONDUCT IN MANAGING COMPANY ACTIVITIES

##### ***Conflict of interest***

Recipients and anyone who may influence the Group's choices may not use their position (corporate or otherwise), even implicitly, to influence decisions in their own favour or in favour of relatives, friends and acquaintances for personal purposes; moreover, if they believe they are in a situation of conflict of interest, they must immediately inform their hierarchical superior and, in the absence of superiors, the Supervisory Board, so as to adopt a behaviour suitable for maintaining independence of judgement and choice.

##### ***Gifts and benefits received***

Recipients who receive gifts or benefits that are not of modest value and that may be interpreted as exceeding normal courtesy practices are required to notify the Supervisory Board, which will assess their appropriateness and take the measures it deems most appropriate.

##### ***Transparency, traceability of operations, management of communications and information***

In the performance of their duties and within the scope of their responsibilities, Recipients are required to process, disseminate or communicate data, information or knowledge in their possession with accuracy, precision and completeness, avoiding providing incomplete, tendentious or untrue information.

The Group prepares its reports in compliance with the principles of truthfulness, transparency, completeness and traceability of the information and data contained therein.

All financial, economic and accounting information must be adequately documented so that the decision-making and authorisation process underlying the transactions generating the information can be verified at any time. Each Recipient is required to cooperate so that the management facts are correctly and promptly represented in the accounts on the basis of true, accurate, complete and verifiable information. Every operation and transaction must therefore be correctly recorded, author-

ised, verifiable, legitimate, consistent and appropriate in such a way as to reflect not only formally but also substantially the content of the supporting documentation produced and received.

### ***Intellectual Property***

The Group uses names and trademarks, as well as other distinctive signs, which are the exclusive property of and/or whose use falls within the availability of the same through a legitimate title to use. Furthermore, it exclusively uses creative ideas or elaborations (such as, by way of example and not limited to, texts, sketches, illustrations, drawings, trademarks, etc.) of which it has exclusive ownership also by virtue of fees and/or reimbursements agreed with third parties through contractual documents.

The Group adopts measures and initiatives aimed at guaranteeing the security, integrity, correct use and operation of the systems, programs, computer or telematics data of the Group company or of third parties, also protecting intellectual property rights relating to the use of computer and telematics programs and data, and the integrity of the information made available to the public via the Internet.

The Group undertakes not to implement any device and/or use, in any form or manner, of trademarks and names and other distinctive signs, including in combination, of which it does not have exclusive ownership and/or legitimate title to use.

### ***Confidentiality of information***

Without prejudice to the transparency of the activities carried out and the information obligations imposed by the provisions in force, the Group's employees are required to ensure the confidentiality required by the circumstances for each piece of information learned in the course of their work, even in the event of termination of employment or change of duties.

Information and data acquired or processed in the course of their work or through their duties belong to the Group and may not be used, communicated or disclosed without specific authorisation from management and in compliance with specific procedures.

### ***Protection of personal data***

The Group intends to ensure that the acquisition and processing of personal data of its employees, collaborators and third parties is carried out with respect of fundamental rights and freedoms, as well as the dignity of the persons concerned, as provided for by the regulations in force (Reg. EU 679/2016 and Legislative Decree 196/2003 as amended by Legislative Decree 101/2018, "Privacy Pol-

icy").

The processing of personal data of persons authorised by the Data Controller will be carried out in a lawful, correct and transparent manner. The data will be processed only for specific, explicit and legitimate purposes and will be kept for a period of time not exceeding that necessary for the purposes of collection and in any case within the terms of the law.

### ***Use of corporate business tools***

Each Recipient is required to work diligently to protect company assets, observing responsible behaviour, in line with company policies. In the management of company assets, the Group is committed to the protection of its own and other people's data and information systems, ensuring compliance with any applicable copyright protection regulations; in this sense, each Recipient is explicitly prohibited from violating these principles by altering company assets received in use or by illegally accessing information systems.

Each Recipient has the responsibility of guarding and preserving the Group's assets entrusted to him/her as part of his/her activity; he/she must use them appropriately and in accordance with the company's interests, adopting behaviour that prevents their improper use by third parties.

### ***Selection, enhancement and protection of personnel***

The Group guarantees compliance with national and supranational regulations governing labour relations and recognises all forms of free aggregation among workers, in compliance with the laws in force; it is committed to ensuring that each employee is treated with respect and protected from any illicit conditioning, inconvenience or prejudice.

In particular, the Group recognises the centrality of human resources in the belief that the main factor in the success of any company is the professional contribution of the people who work there, in a framework of loyalty and mutual trust. Therefore, during the selection, recruitment and career advancement phases of personnel, the Group makes assessments solely on the basis of the correspondence between expected and required profiles and transparent and verifiable merit considerations, in accordance with the procedures defined.

The management of employment relationships is geared towards ensuring equal opportunities and fostering the professional growth of employees.

The Group protects the health and safety of its employees in the workplace and anywhere they may be called upon to carry out their work, promoting responsible behaviour by all; to this end, the Group promotes a policy based on the implementation of principles and behaviour aimed at the safety and

health of employees, with a commitment to communicating the results achieved.

## 5. RULES OF CONDUCT TOWARDS EXTERNAL ACTORS

Recipients must behave correctly and with integrity in relations with persons and entities outside the Group.

### ***Consumer relations***

The Group pays the utmost attention to the quality, safety and hygiene of its production processes and food, pursuing the path of continuous innovation,

- both through significant and constant investments in research and development, in order to constantly improve the quality and competitiveness of products offered, and in terms of nutrition and taste;
- as well as through systematic checks on the quality and safety of products marketed.

In addition, the Group pursues the objective of creating products capable of satisfying the needs of particular groups of consumers, who suffer from food intolerances or who have specific nutritional needs.

The Group provides accurate, complete and truthful information so that consumers can make rational and informed decisions. In particular, aware of the importance of the correct use of advertising media, it encourages the adoption of high standards of responsibility in the promotion of its products and imprints its advertising campaigns on transparency, on the characteristics of the goods produced and marketed, respect for human dignity and the protection of children. The Group adopts a style of communication based on efficiency, collaboration and courtesy, promoting a dialogue with consumers.

### ***Customer relations***

The Group is committed to establishing a relationship with its customers that is characterised by a high level of professionalism, marked by openness, respect, courtesy and research, offering maximum collaboration.

Relations with distributors and wholesalers, who retail the Group's products, are based on collaboration and transparency, with a view to benefiting all parties and taking into account the peculiarities of different geographical areas.

The Group defines contractual relationships according to fairness and good faith, in compliance with common values, which are the inspiration for this Code. In particular, in order to protect the Group's image and reputation, relations with customers are based on:

- simplicity and correctness, with a view to promoting transparency and awareness in the choices to be made;
- respect for the confidentiality of information acquired during the course of business activities, including the current legislation on privacy;
- independence with regard to all forms of conditioning, both internal and external, so as to guarantee a uniform treatment of customers under the same conditions;
- compliance with the law, with particular reference to occupational safety and anti-money laundering provisions.

In establishing business relationships with new customers and in managing existing ones, taking into account the information available, relationships with persons involved in illegal activities and, in any case, with persons without the necessary requirements of integrity, seriousness and commercial reliability are avoided.

### ***Relations with suppliers***

Relations with suppliers are based on the determination of a balanced competitive advantage, the granting of equal opportunities, loyalty, impartiality and the recognition of professionalism and expertise. In line with these principles, the Group contractually commits its suppliers to comply with the law, as well as to become aware of and adhere to the principles set out in this Code of Ethics. The Group does not enter into any form of collaboration with suppliers who do not accept these conditions.

Supplier selection procedures must comply with the Group's internal procedures. The choice of suppliers and purchase of goods and services of any kind must be made in accordance with the principles of competition and equal conditions, and on the basis of objective assessments based on competitiveness, quality, utility and the price of the service or good offered. In the selection process, the Group adopts the objective and transparent criteria set out in internal procedures, which do not preclude any supplier company that meets the required requirements from competing with competitors.

The Group requires its suppliers to comply with high quality standards in production processes and to respect environmental conditions, and ensures that their activities comply with current regulations.

In assigning professional assignments, the Group adopts criteria inspired by the principles of compe-

tence, cost-effectiveness and fairness. Fees and sums, for whatever reason, paid to the assignees of assignments of a professional nature must be adequately documented.

#### ***Relations with partners and collaborators***

The Group may operate jointly with business *partners* and collaborators who are chosen, taking into account the peculiarities of the geographical areas of origin, in relation to reputation and reliability, as well as adherence to values comparable to those expressed in this Code of Ethics.

Relations with *partners* and collaborators are based on transparent agreements and constructive dialogue, aimed at achieving common objectives, in accordance with the regulations and provisions of this Code of Ethics.

#### ***Relations with competitors***

It is of primary importance for the Group that the market be based on fair and equitable competition. The Group is committed to complying with the relevant laws and to cooperating with market regulators, and therefore not to knowingly infringe the industrial or intellectual property rights of third parties.

#### ***Relations with control bodies***

The Group ensures maximum collaboration with control bodies, guaranteeing the availability of its staff in case of requests for access to its facilities, and providing full collaboration in finding and making available the relevant documentation.

#### ***Relationships with political forces, associations bearing interests, public institutions and representative bodies***

The Group engages in transparent discussions with all political forces in order to duly represent its positions on topics and issues of interest. The Group maintains relations with trade associations, trade unions, environmental organisations and related associations, with the aim of developing its activities, establishing forms of mutually beneficial cooperation and presenting its positions. The presentation of the Group's specific positions with political forces and/or associations must be made with the consent of higher management or the relevant corporate functions.

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

The Group is willing to provide contributions and sponsorships, in compliance with the procedures

defined, providing adequate publicity, to support initiatives proposed by public and private bodies and non-profit associations, regularly established in accordance with the law and promoting the values that inspire this Code. Sponsorships and contributions may relate to events and initiatives of a social, cultural, sporting and artistic nature; they may also be aimed at carrying out studies, research, conferences and seminars on topics of interest to the Group. Within criteria of reasonableness and good faith, the Group assesses the concrete link between any sponsorship and related business purposes, guaranteeing compliance with a specific authorisation process, registration and documentation obligations, and specific economic limitations. All contributions must therefore be made in accordance with internal procedures and be transparent, traceable and verifiable, and adequately justified.

### ***Relations with Public Administration***

In its relations with Public Administration, the Group is inspired by and adapts its conduct to the principles of fairness and transparency. Recipients charged with negotiations, requests or institutional relationships with Public Administration must not in any way attempt to improperly influence decision making processes, nor engage in unlawful conduct, such as offering money or other benefits, indulging inductive behaviour towards public officials, which may alter the impartial judgement of Public Administration representatives.

Any form of obstruction towards Public Supervisory Authorities in the exercise of their functions also constitutes unlawful conduct, whether by means of actions or documents, or by exposing false facts or omitting pertinent information in communications addressed to the aforementioned authorities, by omitting to provide prompt communications, and in general by behaving in an obstructive manner such as, as a mere indication, delaying the sending of communications or not making available the required documentation.

The hiring of former Public Administration employees who, in the exercise of their duties, have had relations with the Group, or of their relatives and/or close relatives, should occur in strict compliance with the standard procedures defined by the company for the selection of personnel.

Contributions, grants or financing obtained from the European Union, the State or other Public Body, even if of modest value and/or amounts, must be used for the purposes for which they were requested and granted.

Lastly, it is forbidden for anyone to induce those called upon to make statements in proceedings of any kind not to make statements or to make false statements, in particular when they may legitimately refuse to answer questions put to them by the Judicial Authority.

### ***Gifts and benefits offered***

The Group does not provide any form of gifts, payments or gratuities for any reason whatsoever (any incitement to do so is also prohibited) that may be interpreted as exceeding normal commercial or courtesy practices, or which is aimed at acquiring favourable treatment in the adoption of decisions or the conduct of any activity related or inherent to the Group itself. By way of exception, only gifts or gratuities of a purely symbolic nature and of modest value may be given, and not exceeding normal business practices of courtesy.

### ***Media relations***

All Group external news and communications must be accurate, truthful, clear and transparent, and should not be ambiguous, instrumental, false or tendentious; such communications should be disclosed, subject to authorisation, only by the company departments delegated to do so.

Recipients are prohibited from:

- making commitments of any kind whatsoever in response to requests from the press or other ordinary media, unless duly authorised;
- providing information to media representatives without the express authorisation of the relevant company departments.

Recipients called upon to externally disclose any type of information concerning objectives, strategies and results relating to the Group when participating in conferences or public events, or in the preparation of publications, are required to obtain the authorisation of their hierarchical superior and the department in charge of relations with the media (or of top management directly), in such a way as to agree and share the contents, so that the information is expressed in accordance with company policies and internal development plans.

## **6. IMPLEMENTATION OF THE CODE OF ETHICS AND PENALTY SYSTEM**

Recipients must observe and ensure compliance with the principles of this Code of Ethics. Compliance with the principles of the Code is an essential part of the Group's contractual obligations pursuant to and for the purposes of current regulations.

The pursuit of the Group's interests can in no way be separated from respect for the principles of the Code of Ethics.

The Group is divided into various operating structures which, depending on the area, may be involved in activities with greater or lesser ethical and reputational impact; in an effort to ensure adequate training, the Group has adopted a specific training, implementation and control procedure based on the self-responsibility of its structures and managers, supported by the Group's HR functions.

The GLI Board of Directors has identified GLI's Supervisory Board, appointed in accordance with the provisions of Legislative Decree 231\01, as the body delegated to supervise the application of the Code of Ethics.

Reports of suspected violations of the Code of Ethics can be forwarded via the dedicated e-mailbox [organismodivigilanza@it.lactalis.com](mailto:organismodivigilanza@it.lactalis.com), or via the e-mailbox of the Supervisory Board of the company to which the report refers, available in the Organisation, Management and Control Model of the company. Suspected violations can also be reported through the *whistle blowing* platform available at this link <https://www.gruppolactalisitalia.com/contatti/>. Total confidentiality on the identity of whistle blowers is guaranteed, as well as protection from any form of retaliation.

Each report will be properly investigated and, in case of ascertained violations, the most appropriate measures will be taken, in accordance with the procedures defined.

Any violation of the provisions of the Code of Ethics may constitute a breach of the obligations of employment relationships and/or a disciplinary offence, with all legal consequences, including with regard to the preservation of employment relationships, and may result in compensation for damages resulting therefrom.

Compliance with the principles of this Code of Ethics forms an essential part of the contractual obligations of those maintaining business relations with the Group. Consequently, any breach of the provisions contained herein may constitute a breach of the relevant obligations, with all legal consequences.