

CODE OF ETHICS

In this Code of Ethics, PROPAGROUP intends to define the company's main guidelines for conduct, in compliance with the Sedex Members Ethical Trade Audit (SMETA) Code and Food Defense standards.

The role played by Propagroup S.p.A. on the market, and the nature and social character of its business activities require a commitment by those working in the company to adopt behaviours based on the principles of loyalty, seriousness, honesty, competence and transparency, and in detailed compliance with the law, market regulations, the inspiring principles of fair competition, and the legitimate interests and expectations of customers, suppliers and anyone who comes into contact with the company in operating its business activities.

In order for relations within the company, as well as those with the company's external context, to develop correctly, all employees and recipients of this Code of Ethics are required to cultivate and make their own cultural, technical, operational and ethical baggage available to the company for the achievement of the indicated purposes, each within the scope of their competences and responsibilities and in compliance with the competences and responsibilities of others.

In order to allow the correct development of these complex relations, in carrying out its business activities, the company promotes the ethics of conduct and considers, as a fundamental criterion with which to regulate every action, propriety in internal and external relations.

The company is convinced that ethics in conducting business facilitates entrepreneurial activities, disseminates the image of transparency, fairness and reliability, and prevents any intentional action against the protection of its products. For such reason, the company does not merely expect, but demands that relations with the outside world are based on compliance with the law, regulations and the provisions of this Code of Ethics.

Representative for the Management of the Code of Ethics:

In order to promote compliance with the values enshrined in the Quality Policy and the Environmental Policy, the Managing Director of Propagroup has appointed a Representative for the Management of the Code of Ethics, who, in the person of Dr. A. Borla for the Rivoli facility, in accordance with the guidelines, will take care of bringing the contents of the Code of Ethics to the attention of all employees, will follow regulatory updates and related personnel training aspects, and disseminate the contents to new hires and to stakeholders.

The Representative for the Management of the Code of Ethics will annually verify, during the Management Review, the adequacy of this Code of Ethics. Revisions may become necessary due to regulatory adjustments and experience gained in applying the code itself, in particular in relation to contributions from workers and third parties.

Ethical principles:

Propagroup S.p.A. operates in full compliance with applicable laws and regulations, in accordance with the principles set out in this Code of Ethics and in the procedures provided for by the Quality and Environmental System.

Transparency, fairness, professional commitment and moral rigour are the values to which the company inspires in order to compete fairly on the market, improve the satisfaction of its customers, increase value for shareholders and develop the skills and professional growth of its human resources. In particular, the belief of acting in some way to the advantage of the company shall in no way justify the adoption of behaviours in contrast with the aforementioned principles.

All actions, operations and transactions referable to the company must be undertaken and pursued in full compliance with legality, impartiality and the principles of fair competition, must be managed with utmost propriety, must be inspired by the principles of completeness and transparency of information, must be supported by documentary evidence, and must be capable of being subjected to checks and controls.

Relations with authorities must be based on utmost transparency and collaboration, in full compliance with their institutional functions.

The personnel of Propagroup S.p.A., recipients of this Code of Ethics, thus have the obligation to know its contents and to refrain from any conduct contrary to it.



The fundamental principles of this Code of Ethics are:

- Compliance with laws and regulations;
- Honesty and prevention of corruption;
- Impartiality;
- Correctness in case of any potential conflicts of interest;
- Privacy, confidentiality and discretion;
- Transparency and completeness of information;
- Fair competition;
- Quality of services and products;
- Diligence in the performance of one's duties;
- Correct relations with third parties;
- Protection of individuals:
 - Liberty;
 - Hygiene and safety;
 - Salary and working hours;
 - Child labour;
 - Forced labour;
- Value of human resources;
- Respect for the physical and cultural integrity of the individual;
- Environmental protection.

The criteria of correctness and ethics set out above apply in particular to:

- The management of business activities in general;
- Human resources and employment policy;
- Information processing;
- Information on management facts and accounting data;
- Conflict of interest;
- Relations with public authorities and institutions, and with other subjects representing collective interests;
- Relations with customers and suppliers;
- Relations with political and trade union organizations;
- Transparency of accounting.

Propagroup's commitments to individual sections of the code are reported below.

1) Personnel

Propagroup avoids any form of discrimination against its own personnel.

In the context of personnel management processes, decisions taken are on the basis of correspondence between expected profiles and the effective profiles possessed by individuals, of merit considerations, and, compatibly with the general efficiency of work activities, of flexibility in the organization of work activities, also aimed at facilitating the management of the status of maternity.

Propagroup provides all personnel with information and training tools with the aim of enhancing specific skills and preserving professional value.

2) Health and safety

Propagroup is committed to disseminating and consolidating a culture of safety by developing the awareness of risks, promoting responsible behaviour by all personnel, and working to preserve the health and safety of its personnel, in particular, via preventive actions.



3) Protection of individuals

Propagroup undertakes to protect the moral integrity of its personnel by promoting the principle of non-discrimination and counteracting any lack of respect in relation to any individual. Propagroup recognizes the right to working conditions that respect the dignity of the person. For this reason, it safeguards workers from acts of psychological violence, and counteracts any attitudes or behaviours that may be discriminatory or harmful to individuals, their beliefs or their preferences.

Sexual harassment is prohibited, and any behaviour or speech that might upset the sensitivity of individuals must be avoided.

Any worker who believes that they have been harassed or discriminated against on grounds of age, sex, sexuality, race, health, nationality, political views, religious beliefs, etc., may report the occurrence to their employer and to the executives of the company.

Every work activity carried out on behalf of Propagroup is regulated by contractual relationships governed by Italian Law. Wages paid to workers comply with or exceed the minimums established by law, according to the contract category applied.

4) Conflicts of interest

Propagroup employees are required to avoid any situation and refrain from any activity that might oppose a personal interest to the company's interests or that might interfere and hinder the ability to make, in an impartial and objective way, decisions in the interests of the company.

Therefore, employees must avoid any abuse of their position and, in particular, exclude any possibility of the overlapping or intersection of economic activities in which there is or may exist a personal or family interest with the duties covered or assigned by the company.

5) Relations with public authorities and institutions, and with other subjects representing collective interests

The recipients of this Code of Ethics who maintain relations with state and government authorities on behalf of Propagroup, with public institutions, as well as with other subjects representing collective interests, must operate in constant and rigorous compliance with applicable legislation and must base their activities on the general principles of correctness and transparency.

6) Relations with customers and suppliers

The recipients of this Code of Ethics must comply with its rules also in relations with the outside world, thus adequately informing third parties about the commitments and obligations set out in the Code of Ethics and demanding compliance with the obligations directly affect their activities.

Externally communicated information must be truthful and transparent.

Correct and transparent relations with customers and suppliers are a fundamental aspect of the company's success, which is pursued through the offer of high quality products and services in competitive market conditions in compliance with the rules of fair competition.

In business relationships with customers and suppliers, direct and indirect donations, benefits, services of any other kind, gifts and acts of courtesy and hospitality are prohibited, unless they are of a limited nature and value such as not to compromise the image of the company and cannot be interpreted as aimed at obtaining any preferential treatment that is not determined by the rules of the market.

Propagroup therefore rejects all corruption, considers it illegal and actively promotes a broad approach of prevention of the mechanisms of corruption.

7) Money laundering prevention

Propagroup carries out its business activities in full compliance with applicable anti-money laundering legislation and provisions issued by competent authorities, and, to this end, undertakes to refuse any suspicious transactions from the point of view of correctness and transparency.

Propagroup, therefore, undertakes:

- To verify, where necessary, in advance, available information on commercial counter-parties, suppliers, partners and consultants, in order to ascertain their respectability and the legitimacy of their business before establishing business relationships with them;
- To operate in such a way as to avoid any actual or potential involvement in operations or transactions likely to favour the laundering of money deriving from illegal or criminal activities, thus acting in full compliance with primary and secondary anti-money laundering legislation and internal control procedures.



- To favour and privilege as far as possible the use of tracked or traceable payment systems aimed at improving the transparency of national, European Union and international commercial operations and transactions.

8) Relations with political and trade union organizations

Propagroup does not directly or indirectly favour or discriminate against any political or trade union organization.

The company refrains from making any direct or indirect contribution, in any form, to political or trade union organizations, parties, movements or committees, or their representatives or candidates, other than those indicated in specific provisions of law and in compliance with the forms, methods and contents provided therein. Propagroup favours an open relational approach towards trade unions, where, in accordance with applicable regulations, opportunities may arise to improve collaboration and share the goals of the company with its workers.

9) Management facts, accounting data and accounting transparency

The completeness and clarity of accounting data, reports and financial statements represent a fundamental value in relations with the owners, third parties who come into contact with Propagroup, and supervisory bodies, where involved.

Accounting is strictly based on the general principles of truth, accuracy, completeness, clarity and transparency of recorded data.

In their conduct, employees and consultants are obliged to refrain from any act, whether active or by omission, which directly or indirectly violates the principles referred to in the previous paragraph or internal procedures relating to the formation of accounting documents and their external representation.

Propagroup undertakes to guarantee utmost fairness and transparency in the management of transactions with related parties, in accordance with provisions issued by the market authority.

Propagroup encourages participation in training and updating initiatives in order to ensure recipients are informed and updated on rules and procedures governing the production and management of accounting documentation.

Propagroup's financial statements strictly comply with the general principles of truthful and correct representation of its equity, economic and financial situation, in compliance with applicable general and special legislation.

Assessment criteria refer to civil law and generally accepted standards.

10) Privacy

Propagroup undertakes to apply and constant update specific procedures aimed at protecting information.

Propagroup undertakes to protect the confidentiality of all information of any nature or subject that it comes into possession of in carrying out its business activities, and avoids any improper use or undue dissemination of such information.

Propagroup periodically monitors the risks and threats associated with the processing of acquired personal data, the possible impact on security, and technical, organizational and verification measures to deal with the individual risks identified.

Propagroup undertakes to protect the personal data acquired, stored and processed as part of its business activities, also through the training of internal data processing officers on the methods of use, consultation, storage and destruction of such data.

Propagroup annually verifies the correct implementation of its periodic password change system in accordance with the provisions of current applicable privacy legislation (EU Regulation 2016/679 GDPR).

11) Training

The principles set out in this Code of Ethics are the subject of training within the company.

The training is adequately documented, according to the specific procedure of the company Quality System.

Rivoli on 13/01/2020

The Management

PROPAGROUP S.p.A.
Un Procuratore

