



**code of ethics**



GRUPPO CREMONINI



# INALCA CODE OF ETHICS

## INTRODUCTION

*INALCA — a joint stock company with head office in Castelvetro di Modena (MO), Via Spilamberto n. 30/C (hereinafter “INALCA” and/or “the Company”) carries out its business as an importer, exporter, wholesale dealer and processor (the slaughter, handling, aging, conservation, packaging, production, etc.) of fresh, frozen, deep frozen and refrigerated meats, of live cattle, of the by-products of slaughter and of meat derivatives and compounds, in Italy and elsewhere on the European continent including Russia, both in and outside the European Union, and in various countries of the African continent, as well as Brazil and Argentina.*

*INALCA is a subsidiary of the company CREMONINI S.p.A., with head office in Castelvetro di Modena.*

*In the practice of its business, INALCA not only respects the laws and regulations in force in all the countries in which it operates, but it also observes high ethical standards in the everyday performance of its work: such standards, and the principles on which they are based, are presented in this Code of Ethics (hereinafter “the code”). The Code is complementary to the laws on business practice dictated by the legislator: to merely comply with the law, although being a fundamental condition, is often insufficient for INALCA, which wishes all Company decisions and the behaviour of its own personnel to be based on ethical rules, even in cases which are not disciplined by law. The term “personnel” refers to all the people who work for INALCA: employees, directors, auditors and others who collaborate in various ways.*

*The Code expresses the ethical commitments and responsibilities assumed by those who, on various grounds, collaborate in the pursuit of INALCA's aims towards: shareholders, employees, collaborators, external consultants, suppliers, customers and other subjects. Subjects which, as a group, can be defined by the term “stakeholders”, in as much as they have interests linked to INALCA's activity.*

*Every person who works for INALCA or for the bodies controlled by this latter, to which the application of the Code is extended, are required to act always in compliance with the prescriptions contained in this Code of Ethics.*

*Special attention is requested of the Directors, the Managers and the other department chiefs, as well as of the members of the Supervisory Board whose duty is to monitor the implementation of the code and to provide for its updating: these subjects are called upon to guarantee that the principles adopted are constantly applied and to adopt behaviour which can be taken as an example for the employees and collaborators.*

*The Company has assigned the Supervisory Board the position of guarantor, i.e. guarantor for corporate governance and control of the Code of Ethics, with the main task of examining cases of possible infringement of the Code and of reporting to the competent structures the results of the verifications carried out for the adoption of suitable sanctions.*

*The Code is available to customers, suppliers and other third parties which interact with INALCA: it is specifically communicated to third parties on which INALCA confers mandates or which have lasting relations with the Company, and they are formally invited to respect the principles and criteria of conduct within the sphere of their relations with INALCA.*



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### 1. Principles of behaviour for the organization

*The principles of honesty, integrity, loyalty, reciprocal respect, good faith and correctness are maintained fundamental, therefore INALCA undertakes to respect them and to guarantee that they are respected towards everyone. For that matter, INALCA requires such principles to be respected by all the subjects, internal and external, who have relations of any kind with INALCA.*

#### Respect for laws and regulations

INALCA operates in strict compliance with the law and it spares no effort to ensure that the personnel act accordingly: they must adopt behaviour which conforms to law, regardless of the context and the activities carried out and the countries in which they operate. This commitment must also hold firm for the consultants, suppliers, customers and anyone who has relations with INALCA. INALCA will not start, or pursue, any relationship with those who do not intend to comply with this principle.

#### Integrity of behaviour

INALCA undertakes to manufacture and supply products and/or services of quality and to compete on the market according to principles of fair and free competition and transparency, maintaining correct relations with the public, governmental and administrative institutions, with citizens and with third party companies. Every person is held to operate, in any situation, with integrity, transparency, coherence and fairness, conducting every business relationship with honesty.

#### Rejection of all discrimination

In decisions which influence relations with its stakeholders (customer's preferences, relations with shareholders, personnel management and the organisation of work, the selection and management of suppliers, relations with the surrounding community and with the institutions by which it is represented) INALCA avoids all discrimination relative to the age, sex, sexual preferences, state of health, race, nationality, political opinions and religious beliefs of its counterparts.

#### Valorisation of human resources

INALCA recognises that its human resources represent a factor of fundamental importance for its own development; it therefore guarantees a safe work environment, such as to facilitate the performance of work and the valorisation of each person's professional aptitude. The work environment, based on respect, correctness and collaboration, must encourage the workers to be involved in and responsible for the specific

objectives to be reached and the methods by which they are pursued. Human resources management is based on respect for the personality and professional skills of each person, guaranteeing their physical and moral integrity: the personnel must always act with respect towards the people with whom they come into contact on behalf of INALCA, treating everyone fairly and with dignity. INALCA refuses every form of enforced labour, or labour carried out by minors of less than sixteen years of age, and it does not tolerate the violation of human rights.

### **Fair authoritativeness**

In the management of contractual agreements which imply the establishment of hierarchical relationships, INALCA undertakes to ensure that authority is exercised fairly and correctly and that every form of abuse is avoided: more specifically INALCA guarantees that authority does not become the exercise of power which is prejudicial to personal dignity and independence. These values must be safeguarded under all circumstances, when decisions are taken regarding the organisation of the work.

### **Protection of health, safety and the environment**

INALCA carries out its business and makes its investments in a socially responsible and sustainable manner from the environmental viewpoint. INALCA also acts in a way which guarantees complete and exhaustive communications with the community, taking care to circulate correct and true information regarding its own business.

### **Avoidance of non-ethical behaviour**

The behaviour of any individual or organisation which attempts to benefit from others' collaboration, exploiting positions of power, is unethical and favours the adoption of hostile attitudes towards INALCA.

### **Correctness in the contractual sphere**

Contracts and work assignments must be executed according to the agreements established with full awareness by the parties. INALCA undertakes not to exploit conditions of ignorance or of incapacity of its counterparts. Furthermore, in the case of already existing agreements, anyone who operates in the name of and on behalf of INALCA must not attempt to profit from contractual flaws or unforeseen events in order to renegotiate a contract solely for the purpose of exploiting the position of dependency or weakness in which the counterpart finds him/herself.

### **Protection of competition**

INALCA wishes to protect the value of competition, refraining from covert, predatory or abusive behaviour. Therefore, all subjects who operate with INALCA for any reason may not be parties to agreements which conflict with the rules which discipline free competition between companies.

### **Valorisation of the investment in INALCA**

INALCA adopts all measures to ensure that the economic/financial results are such as to safeguard the increase in the value of its own capital, in order to adequately remunerate the risk that the shareholders assume. INALCA also creates the conditions to ensure that the shareholders participate in the decisions of their competence in full awareness: for this purpose, it fosters informative parity and also protects the general interest of the shareholders as a whole from actions attempted by individuals aimed at making their own specific interests prevail.

### **Transparent and complete information**

INALCA must give full, transparent, comprehensible and accurate information, so that the stakeholders, in conducting their relations with the Company, are able to take decisions autonomously and with full awareness of the interests involved, of the alternatives and of the relevant consequences. In particular, in the preparation of contracts INALCA takes care to inform the contracting party, in a clear and comprehensible manner, of the behaviour that must be adopted in all foreseen circumstances.

### **Personal data protection**

INALCA acquires and processes the personal data of customers, shareholders, collaborators, employees and other subjects, both individuals and corporate entities. The said data consist of any information that serves to identify a person, directly or indirectly, and may include sensitive data, such as those that reveal a person's ethnic or racial origin, political opinions, state of health or sexual tendencies. INALCA undertakes to process such data within the limits and according to the provisions of the laws in force on privacy, specifically Italian legislative decree 196/2003 (The Privacy Code) and relative appendices. INALCA personnel who, in the performance of their duties, process data, both sensitive and non-sensitive data, must always proceed in compliance with the said decree and the operating instructions issued to that regard by INALCA itself. *rispetto della suddetta normativa e delle istruzioni operative impartite in proposito da INALCA stessa.*

### **The treatment of information**

Information on the stakeholders is treated by INALCA in respect of the privacy of the subjects concerned. In particular, INALCA:

- defines an organisation for treating information which guarantees correct separation of roles and responsibilities;
- classifies the information according to a scale critical levels and adopts suitable countermeasures at each step of the processing;
- obliges third parties who participate in the processing of the information to undersign a confidentiality agreement.



### **Ban on operations aimed at money laundering**

INALCA enforces the laws preventing money laundering, both domestic and international, in any competent jurisdiction, and also the respect of the laws, regulations and measures of the Competent Authorities concerning fiscal and taxation matters.

INALCA enforces the full observance of the laws, company procedures and the Code of Ethics in any economic transaction, including infra-Group, involving it, ensuring the full traceability of the incoming and outgoing cash flows and full compliance with the laws preventing money laundering.



## 2. Principles of behaviour which must be adopted by the personnel

*The people, i.e. employees, directors and collaborators, must comply with the principles listed below, in the behaviour adopted towards INALCA.*

### Professional attitude

Every person must carry out his/her work and activities with diligence, efficiency and correctness, using the instruments and time available to the same in the best possible manner, and assuming the responsibilities connected to the fulfilment of his/her duties.

### Loyalty

The people must be loyal towards INALCA.

### Honesty

Within the sphere of their working activity, INALCA people must know and diligently respect the organisational model and the laws in force. Within the sphere of their working activity, INALCA people must know and diligently respect the organisational model and the laws in force. INALCA makes available suitable instruments for adequately informing the people in the case of any doubts on how to proceed.

### Correctness

The people may not use information, assets or equipment available to the same for the execution of their duties or of the mandate conferred on the same, for personal ends. No one may accept, or make, for him/herself or for others, pressure, recommendations or reports which could prejudice INALCA or by which they could obtain an unfair advantage for themselves, for INALCA or for any third party; no one may make promises of undue offers of money or other benefits.

### Confidentiality

The people ensure maximum confidentiality of news and information representing the Company's heritage or relative to INALCA's business, in respect of the provisions of law, or the regulations in force and of the internal procedures. Furthermore, INALCA people must not use confidential information for purposes not connected with the performance of the duties, such as, for example, to carry out the illicit activity of insider trading.

### Conflict of interests

In the performance of their work, the people pursue the aims and the general interests of INALCA, being held to avoid and to report conflicts of interests between the positions/duties they cover within the struc-

ture or corporate body to which they belong and their own economic or financial activities or those of their families or of third party competitors whose interests they potentially represent in any way. They must immediately inform their own superiors or contacts or the body to which they belong and the Guarantor of the code of Ethics of any situations or activities relative to which there could be a conflict between the interests of INALCA and their own or those of their close family members and in any other case in which relevant reasons of convenience exist. The people must respect the decisions adopted to this regard by INALCA.



### 3. Behaviour criteria

#### 3.1. Relations with the personnel

##### Personnel selection

Personnel to be hired are assessed on the basis of the correspondence of the candidate's profiles to those expected and to the Company's needs, in respect of equal opportunity for all subjects interested. The information requested are strictly linked to the verification of the aspects contemplated by the professional and psycho-aptitude profile, with respect for the candidate's private life and opinions. In the selection activity, the personnel department adopts suitable measures to avoid favouritism and concessions of any kind.

##### Constitution of the employment relationship

Personnel are hired with a regular employment contract; no form of irregular work is tolerated. On constitution of the employment relationship, the person receives accurate information on:

- the features of the department and of the duties to be performed;
- elements of laws and regulations and of the remuneration;
- regulations and procedures to be adopted in order to avoid possible risks for health linked to the work activity.

The said information is presented to the person in a particular manner so that acceptance of the employment is based on effective understanding of the relative content.

##### Personnel management

People represent INALCA's main resource. For this reason INALCA gives special importance to valorising the individual and to his/her professional growth, on a strictly meritocratic basis. INALCA undertakes to protect the moral integrity of its personnel, guaranteeing the right to working conditions that respect their dignity. Everyone must be treated with the same respect and dignity and they have the same professional development and career possibilities. INALCA avoids any form of discrimination towards its personnel. Within the sphere of the personnel management and development processes, such as in the selection phase, the decisions taken are based on the correspondence of the profiles expected and those of the individuals (e.g. in the case of promotion or transfer) and/or on considerations of merit (e.g. the allocation of incentives according to the results achieved). Access to positions and duties is based on skills and capacities; furthermore, as far as compatible with the general efficiency of the work, forms of flexibility are favoured in the organisation of the work, in order to facilitate expecting mothers and those who have children to care for. Personal assessment is carried out in a wide manner, involving the managers, the

personnel departments and, as far as possible, the subjects who interact with the person being assessed.

### **Personal integrity and protection**

INALCA safeguards the workers from psychological violence and counters any attitude or behaviour that is discriminatory or which can upset people's sensitivity. INALCA undertakes not to exercise any kind of discrimination or harassment towards its own personnel. The achievement of individual targets must be assessed fairly, establishing clearly stated criteria to be used for evaluating people's capacities and their contribution; the results achieved must be adequately recognised. Everyone, within the sphere of their own activities and relations, are required to respect these principles and to collaborate with INALCA to safeguard the same. Any discriminatory actions must be immediately reported to one's own superior and to the Human Resources Manager, without fear of any kind of reprisal. Anyone who feels that they have been subjected to harassment, or to discrimination on the grounds of age, sexual preferences, race, state of health, nationality, political opinions, religious beliefs, etc. can report the event to his/her own hierarchical superior and to the Supervisory Board. INALCA will not tolerate any act of discrimination or harassment: those who carry out such deeds will be subjected to disciplinary sanctions, which may even go as far as dismissal. Disparity is not considered discrimination only if it is justified, or justifiable, on the basis of objective criteria.

### **Communication of personnel policies**

The policies for personnel management are available to everyone, via the Company's instruments: these include Internet, the Company Website, organisational documents and communications drafted by the managers.

### **Human resources valorisation and training**

The managers fully use and valorise all the professional skills of their structures, by means of the levers available for favouring personal development and growth: for example, rotation of duties, working together with an expert employee, experience aimed at covering duties with greater responsibility. In this sphere, communication by the managers of the strong and weak points of each individual is particularly important, so that they can work towards the improvement of their own skills, also by means of targeted training. INALCA makes available to the people distance information and training tools, with the aim of valorising their specific skills and of maintaining their professional value. Training is assigned to groups or to individuals, on the basis of specific professional development needs; in addition, with regard to distance training (issued through Internet, Intranet or CD) not directly assigned, everyone can take avail of the same, according to their own interests, outside normal working hours. Institutional training is contemplated, issued at certain moments in the Company life of the people (e.g. new recruits are given a presentation of INALCA's business), and on-going training addressed to operating personnel.

### **Management of people's time**

Every manager must make the best use of people's time, requesting performance in line with the execution of their duties and with the work organisation plans. To request performances, personal favours or any other action which represents breach of this Code of Ethics as an act due to a hierarchical superior is abuse of the authoritative position.

### **People's involvement**

The involvement of personnel in the execution of the work is guaranteed, also contemplating moments for participation in discussions and decisions instrumental to the achievement of the Company's aims. People must take part in such discussions and decisions with a spirit of collaboration and of independent judgement. Listening to the various viewpoints, as far as compatible with Company needs, allows the managers to reach the final decisions; in any case, the personnel must always take part in the implementation of the established activities.

### **Work organisation action**

In the case of the reorganisation of the work, the value of the human resources is safeguarded, contemplating, when necessary, training and/or professional requalification action. Therefore INALCA adheres to the following criteria:

- the burden of the work reorganisation must be distributed as equally as possible between all the people, as far as consistent with the effective and efficient performance of the activity;
- in the case of new or unforeseen events, which must be carried out in any case, a person may be assigned different duties than those performed previously, always with no prejudice to his/her professional competence.

### **Safety and health**

INALCA undertakes to offer a work environment that does not harm the health or safety of its personnel. INALCA undertakes to spread and consolidate a mentality which gives importance to safety, developing the awareness of the risks and fostering responsible behaviour on the part of all the people; INALCA also takes action to preserve the workers' health and safety, especially with preventive measures. Everyone must respect the regulations and internal procedures relative to risk prevention and the protection of health and safety, and must immediately report any shortcomings or lack of respect for the applicable rules. INALCA aims to protect the human resources, constantly seeking the necessary synergies not only within the Company but also with the other bodies belonging to the Group, the suppliers, the companies and the customers involved in Nalco's activities. For this purpose, a capillary internal structure, which pays attention to the evolution of the scenarios of reference and to the consequent changes in the threats, carries out action of a technical and organisational nature, through:

- the introduction of an integrated risk and safety management system;
- continuous analysis of the risks and of the critical aspects of the processes and of the resources to be

protected;

- the adoption of the best technologies;
- control and updating of work methodologies;
- the introduction of training action and communications.

### **Protection of privacy**

In processing the personal data of its employees, INALCA respects the dispositions in Italian legislative decree 196/2003, containing the Code for the protection of personal data. The people are given an informative note on privacy stating: the scopes and methods of processes, any subjects to whom the data is communicated and information necessary for exercising the right to access the data as in article 13 of Italian legislative decree 196/2003. If the law so requires, the people are asked for their consent for their personal data to be processed. Any survey on the ideas, choices, personal taste and private life in general of employees and collaborators is forbidden.



### 3.2. Duties of the personnel

The people must act loyally, in order to respect the obligations contemplated by the work contract they have undersigned, and by the Code of Ethics, guaranteeing the requested performances.

#### **Management of information**

The people must know and implement the requirements of the Company's policies on information security, to guarantee the intact nature, the confidentiality and the availability of the same. They are required to process their own documents which must be complete and in clear, objective language, allowing for possible verification on the part of colleagues, managers or external subjects authorised to have access the same.

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

Company information and know-how must be protected by being treated with maximum confidentiality. The more important data that INALCA may acquire or create, during its activity, shall be considered as confidential information and given adequate attention: they also include information acquired by and regarding third parties (customers, professional contacts, professional counterparts, employees, etc.). Those who, in the performance of their duties, gain access to confidential information, material or documents, must inform their superiors. The managers are responsible for processing and disclosing the information with adequate means, respecting the Company's principles: those not expressly authorised to answer questions or to provide materials requested by internal or external counterparts must consult their superiors and comply with the relative instructions issued. If it is necessary to deal with relevant, confidential or economic matters, a confidentiality agreement must first be signed by the counterpart, drawn up according to Company standards, or, alternatively, the necessary measures, according to the nature of the elements dealt with, must be adopted. Both during and after the termination of a work agreement with INALCA, the people may use the data acquired exclusively in INALCA's interests and never for their own benefit or for that of third parties.



## **Confidential information regarding third parties**

INALCA personnel must not use illicit means to acquire confidential information on companies or third party subjects. Those who, with the framework of a contractual agreement, acquire confidential information regarding other subjects must use the same exclusively for the purpose contemplated by the contract in question. The people cannot request, receive or use confidential information regarding third parties without due authorisation. If confidential information is acquired on behalf of another subject, who is not bound by a non-disclosure agreement or any other form of protection, the person who acquires the same must address their own superior to receive assistance in the processing of such information.

## **Insider trading**

Except in the case of need, linked to the normal conduction of INALCA's business and/or that of third party companies, the people must refrain from acquiring data the use of which can represent the offence of insider trading. The people who gain knowledge of data of such nature during the performance of their duties must not disclose them to third parties unless these latter require the same for fulfilling their own obligations.

All people who, during the course or by effect of their own work gain knowledge of confidential information on INALCA or on third party companies are forbidden to trade in the securities of such companies or to carry out any operation connected in any manner whatsoever with the aforesaid information.

## **Conflicts of interests**

All INALCA people must avoid situations in which conflicts of interests could arise, and they must refrain from personally taking advantage of business opportunities of which they gain knowledge during the performance of their duties. No one who has relations with an INALCA person may take unfair advantage of INALCA in virtue of its relationship with the said person. For example, but not only, a conflict of interests can arise from the following situations:

- the exercise, on one's own behalf, of an activity in competition with that of INALCA, also through family members;
- the holding of a top management position (managing director, director, department manager) and, at the same time, having economic interests with suppliers, customers or competitors (holding shares, professional mandates, etc.), also through family members;
- maintaining relations with suppliers and at the same time to work for such a supplier, or for a family member to work for the same;
- to accept money or favours from persons or companies who are, or intend to become parties to business agreements with INALCA or with other subjects belonging to the same Group.

If a conflict of interests arises, or even only appears to arise, the person concerned must inform his/her own manager who, according to the contemplated procedure, will inform the INALCA department which assesses, case by case, whether such a conflict actually exists. Furthermore, the person concerned must give details of the activities performed outside the work environment if they can appear in conflict with

INALCA's interests.

### **Illicit remuneration, gifts and hospitality expenses**

INALCA personnel are forbidden to accept or receive any present, bonus or any other gift with a monetary value that is more than symbolic, from suppliers, customers or any other subject with which a professional relationship exists. In particular, they must not accept gifts or services that could have an influence on the actions to be carried out in the performance of their duties for the Company. The people must also do everything in their power to inform the commercial partners of other organisations of their refusal to accept gifts or other benefits. The above rule cannot be by-passed by involving third parties. INALCA people who receive gifts or benefits other than those allowed must inform the INALCA department, indicated by the established procedures, which will, if appropriate, notify the sender of Nalco's policy on this matter.

### **The use of Company property**

Every person must operate in a manner which safeguards Company property, by adopting responsible behaviour and by acting in line with the operating procedures drawn up to discipline the use and accurately documenting every occasion of use. More specifically, every person must:

- use the objects entrusted to the same only when necessary;
- avoid any incorrect use of Company property which can cause damage to or reduce the efficiency of the same, and, in any case, any use which conflicts with INALCA's interests;
- take adequate care of the property entrusted to the same, and immediately inform the appointed subjects of any threat or event that could harm INALCA.

With regard to computer software:

- everyone must scrupulously adhere to the provisions of the Company's security policies, in order to avoid compromising the functioning and the protection of the information systems;
- it is forbidden to send threatening or insulting e-mail messages, to use improper language, or to express inappropriate comments that could offend others and/or prejudice the Company's image;
- it is forbidden to visit internet sites with indecorous or offensive contents or, in any case, to visit any sites that are not inherent to the person's professional duties.

INALCA reserves the right to prevent the improper use of its property and infrastructures, by the use of accounting, reporting, financial auditing and risk analysis and prevention systems, always with respect for the provisions of the laws in force (the privacy code, the workers' statute, etc.).

### **Participation in anti-social or criminal activities**

INALCA strongly rejects anti-social and criminal actions and declares its firm intention to have no part in such phenomena. INALCA personnel are forbidden to have relations of any kind whatsoever with organisations or persons involved in anti-social or criminal activities, which can threaten society or the live of the citizens. In the case of attempted extortion on the part of anti-social or criminal subjects, every compromise must be refused and no money or other performances may be granted. The personnel must instead

immediately inform their superiors, for the necessary consultation with the INALCA general management. INALCA abides by the laws on combating organised crime and strongly condemns and combats with all the means available any form of organised crime, including that of a mafia-related nature. Particular care must be taken in activities in areas in Italy and abroad that have historically been affected by organised crime, in order to prevent the risk of criminal infiltration.

Specific care will be taken by INALCA in checking the necessary requisites of good standing, respectability and reliability of its commercial counterparties (such as, for example, suppliers, consultants, contractors and customers).

No trade relations are to be undertaken or continued with commercial counterparties for which there is even a suspicion of belonging to or having links with criminal organisations, or for which there is a suspicion that they facilitate the activities of criminal organisations, in any form whatever and even occasionally.



### 3.3. Relations with customers

#### **Impartiality**

INALCA undertakes to refrain from arbitrary discrimination towards its customers.

#### **Contracts and communications to customers**

Contracts with and communications to INALCA customers must be:

- clear and simple, in a language as near as possible to that normally used by the counterparts;
- complying with the laws in force, thus not representing practices that are evasive or incorrect in any way;
- complete, including all relevant elements that could influence customers' decisions.

#### **The behaviour of personnel towards customers**

The behaviour of INALCA personnel towards customers must reflect willingness, respect and courtesy, in view of a relationship based on collaboration and a professional attitude.

### 3.4. Relations with suppliers

#### **Supplier selection**

Purchasing processes pursue maximum competitive advantage for INALCA, equal opportunities, loyalty and impartiality: the selection of suppliers and the determination of the purchasing conditions are based on an objective evaluation of the quality and price of the object or service, as well as the guarantee of assistance and prompt action. INALCA undertakes to prepare all the procedures and actions necessary to guarantee maximum efficiency and transparency of the purchasing process, in order to:

- avoid depriving any supplier, holding the necessary requisites, of the possibility of competing in the stipulation of contracts, adopting objective and documentable criteria in the choice from the short lists;
- ensure that the supplier selection procedures allow for sufficient competitiveness, for example considering at least three companies in the selection which, when possible, must take place by means of competitive tender. Any derogation must be authorised and documented;
- separate roles, within the sphere of the diverse steps of the overall purchase process, also maintaining traceability and the documentation of the final choices.

**In any case, INALCA reserves the right to request suppliers to testify that they have the following requisites:**

- suitably documented availability of means, including financial means, organisational structures, capacity, project resources, know-how, etc.;
- the existence and actual implementation, when required by INALCA specifications, of adequate company quality standards (e.g. ISO 9001 standards).



### **Integrity and independence in relationships**

Relations with suppliers, including those relative financial and consultancy contracts, are constantly monitored by INALCA.

The stipulation of a contract with a supplier must always be based on extremely clear relationships, avoiding, when possible, every form of lack of independence. For example, but not only:

- any contract for an estimated amount of more than 50% of the supplier's business turnover must be communicated to the INALCA top management;
  - the execution of long-term binding projects by the stipulation of short term contracts which require continual renewal involving price reviews must normally be avoided;
  - consultancy contracts shall normally be given particular attention, especially when they do not contemplate adequate transfer of know-how;
  - to induce a supplier to stipulate a contract to this latter's disadvantage, allowing the supplier to believe that a later, more advantageous contract will be stipulated in the future is considered incorrect conduct.
- The documents exchanged with suppliers must be suitably filed: in particular, those regarding accounts must be kept for the periods established by the laws in force.

### **Protection of ethical aspects in supplies**

For the purpose of conforming the provisioning activity to the ethical principles adopted, INALCA undertakes to introduce, for certain supplies, requisites of a social type: for example, the existence of an environmental management system, or an articulated system for workers' protection. For this purpose, agreements with suppliers include contractual clauses which contemplate:

- self-certification on the part of the supplier relative to the adhesion to specific social obligations: e.g. the adoption of measures which guarantee the workers respect for fundamental rights, fair, non-discriminatory treatment, the prevention of child labour;
- the possibility for INALCA to carry out inspections at the supplier's production units or the operating premises, in order to check on the compliance with such requisites.

## **3.5. Relations with INALCA shareholders**

### **Accounting transparency**

In order to ensure that the accounting information is transparent and complete, the documentation of the facts to be registered in the accounts in support of the accounting entries must be clear, complete and correct, and it must be filed to allow for possible verification. The relative entries must reflect what is described in the supporting documentation and must specify the criteria adopted for the determination on the economic elements underlying the sums entered.

### **INALCA shareholders' meetings**

The shareholders' meeting is a privileged moment for establishing a profitable dialogue between the

shareholders and the INALCA Board of Directors.

The Board of Directors must accurately prepare and promptly distribute the supporting material required to allow the shareholders' meeting to take the decisions of its competence in an informed and aware manner. The regular participation of the members of the Board of Directors in the works of the shareholders' meeting is guaranteed.

### **Protection of the Company's assets**

The corporate bodies, more than any other subject, must safeguard the Company's assets, giving a virtuous example to all Company employees and collaborators. The resources available must be used in respect of the laws in force, the statute and the code, fostering the growth and consolidation of the Company's assets, and for the protection of INALCA itself, its shareholders, its creditors and the market. In protection of the assets, it is forbidden to return, in any form, the assets conferred or to release shareholders from the obligation of conferring assets, or to distribute profit not actually gained or which the law requires to be allocated to a reserve.

## **3.6. Relations with Public Administrations**

The term Public Administration refers to any person, subject or counterpart which can be qualified as a public official or as a subject appointed to perform a public service, operating on behalf of the central or a local Public Administration, a public supervisory body, an independent authority, an EU institution or a private counterpart licensed to provide a public service.

### **Correctness and loyalty**

INALCA wishes to conduct relations with the Public Administrations with maximum transparency and in an ethical manner: in such relations, which must be conducted in compliance with the laws in force, the counterparts are informed of the general principles of correctness and loyalty, to avoid compromising the integrity of both parties. INALCA personnel must refrain from any behaviour which could prejudice the Public Administration's impartiality and independent judgement. In the execution of operations and in relations with the Public Administrations, INALCA people must guarantee maximum transparency and traceability of the relevant information. Particular precaution must be adopted in operations relative to tender procedures, contracts, authorisations, licenses, and requests for financing of public origin (state or EU). If INALCA needs to take avail of the professional services of Public Administration employees, in the capacity of consultants, it must comply with the laws in force. If, in virtue of the laws in force, subjects apparently external to the Administration can be considered as *longa manus* of the same, the principles of this Code must also be extended to such subjects. Under no circumstances may INALCA be represented, in relations with the Public Administrations, by a consultant or a third party when this could create a conflict of interests.

### **Presents, gives and benefits**

No INALCA person may give, or offer, money or economic advantages or other types of benefits to Public Administration subjects for the purpose of obtaining mandates or other advantages for themselves or for INALCA. No form of gift that can be interpreted as falling outside normal business practice or beyond courtesy, or in any case aimed at obtaining favourable treatment in the conduct of any activity linked to INALCA is allowed: it is specifically forbidden to give or offer any type of gift to Italian or foreign public officials or their families, which could influence their independent judgement in order to obtain more favourable treatment of undue performances or advantages of any kind. The term gift refers to any type of benefit: therefore, not only objects but also, for example, free participation at conventions, offers of work, etc. The above rule cannot be by-passed by involving third parties: to this regard, it must be considered, in fact, that corruption does not only consist of illegal payments made directly by a corporate body or its employees, but also illegal payment made through persons who act on behalf of such entities, both in Italy and abroad.

INALCA shall not employ or confer consultancy mandates on former Public Administration employees, or their relatives, who have personally and actively participated in business dealings with INALCA, or who have contributed to endorsing requests submitted by INALCA to a Public Administration, for a term of at least two years starting from the conclusion of the business deal or the forwarding of the request on the part of INALCA. In any case, INALCA shall abstain from practices not allowed by law, by correct business practice or by the codes of ethics of the companies and bodies with which it has relations. Any gifts offered, unless of a negligible value, must be adequately documented to allow for verification and approval by the department manager, who must first inform the appointed INALCA department. Copy of the relevant documentation (e.g. the transport document) must be filed in a special folder.

If an INALCA person received an explicit or implicit request for benefits from a member of a Public Administration, except in the case of gifts for commercial use and of modest value, he/she must immediately inform his/her hierarchical superior or the subject to which he/she is held to report, for the adoption of suitable measures.

### **Initiatives that INALCA may take**

Should INALCA deem it opportune, it may sustain programmes of public bodies intended to profit and benefit society as a whole, and the activities of foundations and associations, always in respect of the laws in force and the principles of this Code. If INALCA wishes to make donations in cash, or in the form of equipment or other objects, a special procedure will be drawn up, the fundamental features of which are the following:

- INALCA must prepare and send to the beneficiary Public Administration a communication in which it expresses its intention of donating a sum of money, equipment or other objects;
- the beneficiary Public Administration shall comply with the laws in force applicable in the case of donations;
- INALCA, after carefully taking note of the acceptance, shall supply all details of the said donation and shall provide for compliance with all the relative provisions of law.



## 3.7 Relations with society as a whole

### **Economic relations with political parties, trade unions and associations**

INALCA shall not finance political parties in Italy or abroad, their representatives and candidates (or alternatively, it reserves the right to finance political parties in Italy or abroad, their representatives and candidates, within the limits of the amounts allowed by law), nor shall it sponsor congresses or events which have the exclusive purpose of political propaganda (or alternatively, and it reserves the right to sponsor congresses or events which have the exclusive purpose of political propaganda, within the limits of the amounts allowed by law). INALCA shall absolutely refuse to be subjected to any direct or indirect pressure on the part of political representatives: for example, it shall not accept recommendations for employment, nor shall it stipulate consultancy contracts with similar ends. INALCA shall not donate contributions to organisations with which it may have a conflict of interests (e.g. trade unions). However, it may cooperate, also financially, with such organisations for specific projects, in respect of the following conditions:

- the destination of the resources must be clear and documented;
- express authorisation must be granted by the appointed INALCA subject.

### **Contributions and sponsorships**

INALCA may adhere to requests for contributions, but only in the case of proposals from recognised non-profit bodies or associations with a regular statute, and which are of high cultural or beneficial value or which involve a large number of citizens. Sponsorships, which may regard social or environmental issues, sports, the performing arts or the artistic heritage, are destined only for events which guarantee quality or for which INALCA can collaborate on the planning, in order to ensure that they are original and effective. In the choice of the proposals that it may support, INALCA pays special attention to any possible conflict of interests of a personal or corporate nature: for example, family connections with the subjects concerned or links with bodies which can, for the duties they perform, favour in any way INALCA's business or that of the Group to which it belongs. To guarantee coherence of contributions and sponsorships, their management is disciplined by a specific procedure.

### 3.8 Distribution of information

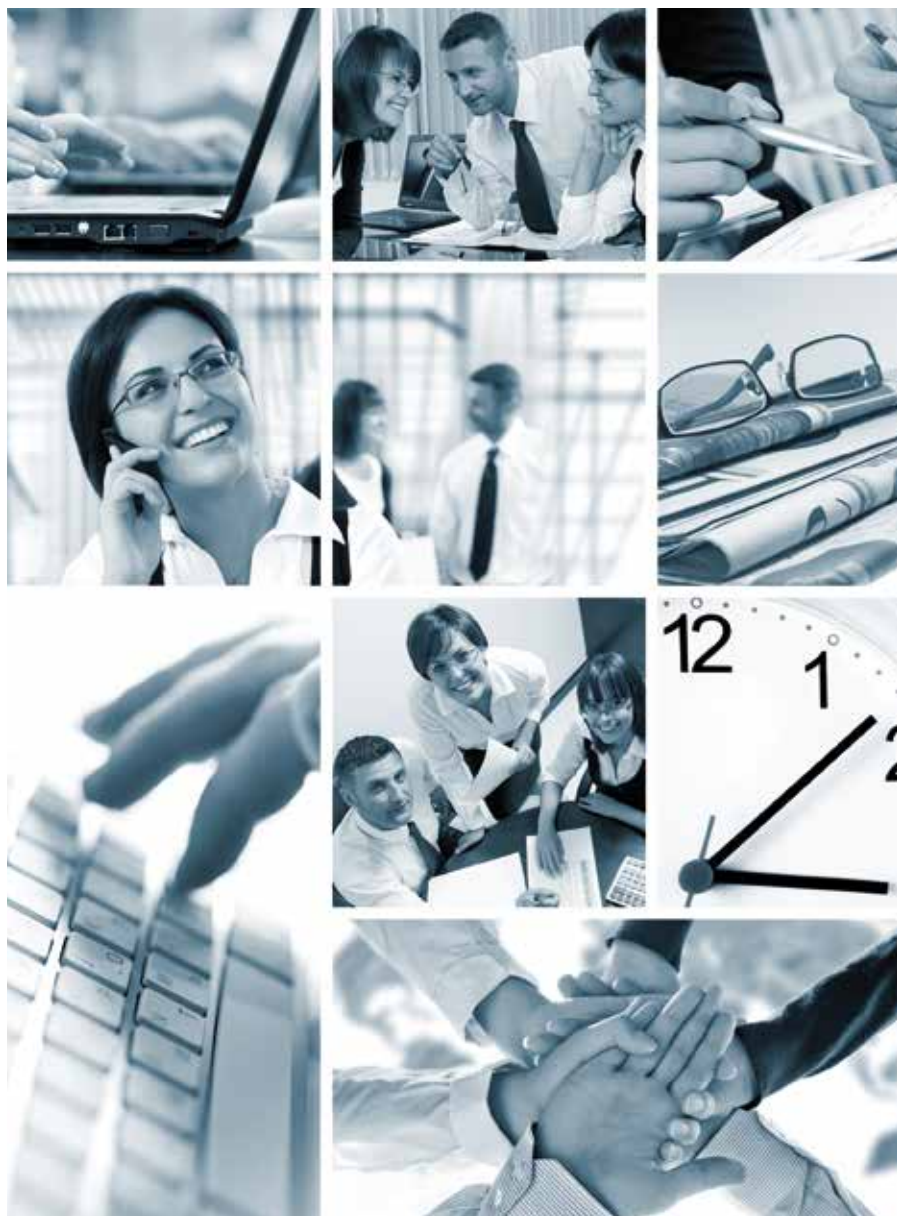
#### **External communications**

INALCA communications to its stakeholders is based on respect for the right to information; under no circumstances shall the disclosure of false or biased news or comments be tolerated.

Every communication activity respects the law, regulations and correct business practice, and is carried out promptly in a clear and transparent manner, safeguarding all other information which can influence the price of the financial instruments (price sensitive information) and industrial secrets. The exercise of any form of pressure or the adoption of attitudes of favour on the part of the media is forbidden. All press releases are available at the INALCA internet site, to allow for maximum use of the same. To guarantee complete and consistent information, INALCA's relations with the mass media are conducted exclusively by the appointed departments.

#### **Control of price sensitive information**

Every form of the investment of INALCA's capital, whether direct or indirect, or carried out through a proxy, based on confidential company information is forbidden: to this regard, special caution must be adopted in the external communication of documents, data or information concerning company facts that are not of public dominion and which, if rendered public, could have a considerable influence of the price of the financial instruments and shares issued by INALCA. The communication of such information must be authorised in advance by the directors or by the specifically appointed subjects. In the management of information, under no circumstances may behaviour be adopted which could favour the phenomena of insider trading, or which could involve the impoverishment of the Company's assets, or allow for undue personal advantage or undue advantages to third parties.



### **4. Mechanisms for the application of the Code of Ethics**

#### 4.1 Distribution and communication

INALCA undertakes to circulate the Code of Ethics, using all the communication means and opportunities at its disposal, such as, for example, the Company internet site (<http://www.inalca.it>), the informative meetings, and personnel training. Everyone must have a copy of the Code of Ethics, know its contents, and observe its prescriptions. In order to ensure correct understanding of the Code, the Personnel Department arranges and carries out, also on the basis of the Supervisory Board's indications, a training plan aimed at fostering knowledge of the ethical principles and rules. The training initiatives are differentiated, according to people's roles and responsibilities; new recruits must follow a special training programme which illustrates the contents of the Code of Ethics which must be observed. The Supervisory Board and the Company management are available for every clarification or explanation regarding the Code of Ethics. Each person, especially the members of the management, is responsible for including the contents of the Code in the training programmes and of referring to the same in all Company procedures, policies and guidelines.

#### 4.2 Monitoring the application of the Code of Ethics

The duty of checking on implementation and application of the Code of Ethics falls on:

- the Supervisory Board, contemplated by Italian law 231/2001: this body not only monitors respect for the Code of Ethics, for which purpose it has access to all INALCA information sources, but also suggest opportune amendments to the Code, also on the basis of reports received from personnel;
- the Board of Directors;
- the INALCA managers.

The Supervisory Board has the following duties:

- to inform the Personnel Management relative to the adoption of opportune provisions, and the reports received on breach of the Code of Ethics;
- to express opinions on the revision of the more important policies and procedures, in order to guarantee their consistency with the Code of Ethics;
- to participate in the periodic review of the Code of Ethics, drafting the opportune amendments, approving the same, and submitting them, through the Managing Director, to the Board of Directors for approval.

## 4.3 Reporting problems or suspect breach

Anyone who learns of, or is reasonably convinced of the existence of a breach of this Code, of a specific law or a Company procedure, must immediately inform his/her direct superior and the Supervisory Board. The report must be in writing and it must not be anonymous: INALCA will take all precautions to protect the reporting subject from any type of reprisal, understood as any action that can give rise to forms of discrimination or penalisation (e.g. interruption of relations with counterparts, suppliers, consultants, etc.; denial of promotion to employees). For this purpose, the reporting person's identity shall be kept strictly confidential, unless forbidden by Law.

To carry out inquiries into possible breach of the Code of Ethics is the responsibility of the Supervisory Board, which may also interview the reporting subject, as well as the person responsible for the presumed breach: the personnel are held to fully collaborate with any internal inquiries. On conclusion of such inquiries, the Supervisory Board will report to the Human Resources Department and/or the other competent structures any conduct which may require the application of disciplinary sanctions or the cancellation of a contract.

All information must be addressed to the electronic mailbox especially instituted by the Supervisory Board.

## 4.4 Disciplinary provisions consequent to breach

The provisions of this Code are an inseparable part of the contractual obligations assumed by the personnel, and by all subjects which have business relations with INALCA. The breach of the principles and rules of conduct indicated in the Code of Ethics compromises the relationship of trust between INALCA and those who commit such breach, whether they are directors, employees, consultants, customers or suppliers.

Breach shall be pursued by INALCA in the following terms:

suitable disciplinary measures shall be imposed on employees, regardless of whether the breach also represents a criminal offence and of whether the subject concerned is prosecuted pursuant to law. The sanctions imposed shall conform to the rules and logic of the labour agreement applied.

The disciplinary provisions range from a reprimand or an admonition to suspension without salary, demotion and, in the most serious cases, dismissal. Before the adoption of a disciplinary provision, the person concerned is given the possibility of explaining his/her behaviour.

For consultants, collaborators, customers and suppliers, the specific modalities for contractual rescission shall be adopted.

Furthermore, INALCA shall always have the right to claim from the aforesaid subjects compensation for any damages it may sustain consequent to the breach of the prescriptions of the Code of Ethics.

### 4.5 Operating procedures and decisional protocols

To prevent breach of the laws in force and of the Code of Ethics, INALCA contemplates the adoption of specific procedures on the part of all those who are involved in the operating process, aimed at the identification of the subjects responsible for taking decisions, issuing authorisation and performing the operations: the various steps of every single operation must be carried by different people, whose responsibilities are clearly defined and known within the sphere of the organisation, in order to avoid unlimited or excessive power being conferred on single subjects.

## 5. Final provisions

This Code of Ethics was first approved by the INALCA Board of Directors on 22nd March 2004; this document is the latest updated version of the same.

INALCA, as the parent company of the Group which has companies operating in the meats sector, presents this Code of Ethics to its subsidiaries which formally adopt it as an effective element of the corporate organisation and a business management model.

Every amendment and/or addition to this Code of Ethics will be approved by the Board of Directors, on proposal by the Managing Director after consultation with the Board of Auditors and the Supervisory Board; it will then be immediately distributed to those to which it is addressed.

### **The Code of Ethics has fundamental binding force.**

Infringements of the principles and content of the Code of Ethics may represent default on primary obligations and involve the rescission of agreements, and INALCA shall also have the right to claim compensation for the consequent damages.





*l'eccellenza nelle carni*

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